



The Pro and Con Monthly

▼ **January, 1931** ▼

Congress and Employment

I. Emergency Aid II. Efforts to Stabilize
The Wagner Proposal for Employment Agencies
▼ ▼ ▼ **Discussed Pro and Con**

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The Congressional Digest

The Pro and Con Monthly

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The CONGRESSIONAL DIGEST ▼

January, 1931
Vol. 10 No. 1

Congress and Employment

I. Emergency Aid

II. Efforts to Stabilize

▼ ▼ ▼ Foreword

IN presenting the problem of national employment to its readers THE CONGRESSIONAL DIGEST, in this number, considers only what the Federal Government is doing, or is being asked to do.

Government consideration of the question is divided into two phases: (1) emergency relief and (2) plans for stabilization of employment which will prevent future unemployment on a nation-wide scale.

Most of the discussion in Congress during December centered on the question of how much money should be appropriated for emergency employment and what form its expenditure should take.

*The Administration recommended that \$150,000,000 be made available for immediate use on public works already authorized. In addition to bills to carry out this program, innumerable relief measures were introduced independently by Senators and Representatives. Some of these were for drought relief but most of them were for employment relief. It was the sum total of appropriations asked in these measures and their urgency by their respective authors that led the President to take issue with Congress.

Among the emergency relief bills which attracted attention were the following:

S. 4938, by Senator McKellar, Tennessee, Democrat, for the immediate appropriation of \$250,000,000 to be spent during the months of January, February, and March 1931 through county agencies of the States for the improvement of roads. Referred to the Committee on Postoffices and Post Roads.

S. J. Res. 207, by Senator Reed, Pennsylvania, Republican, to suspend general immigration for a period of two years as an aid to the employment of American citizens. Referred to Committee on Immigration.

S. Res. 338, by Senator Thomas, Oklahoma, Democrat,

for the appointment of a special Senate Committee of eleven to consider all relief bills. Laid on the Vice President's table.

S. 5043, by Senator Walsh, Massachusetts, Democrat, authorizing an appropriation of \$100,000,000 to reimburse the States by payments to the States by the Federal Government of 50 per cent of relief expenditures made by the States in 1930 and 1931 in excess of relief expenditures made by the States in 1929. Referred to the Senate Committee on Appropriations.

S. 4839, by Senator Blaine, Wisconsin, Republican, to create a Federal Industrial Commission to study the stabilization of employment. Referred to Committee on the Judiciary.

S. J. Res. 210, by Senator Capper, Kansas, Republican, to distribute 40,000,000 bushels of the Federal Farm Board's wheat surplus to relief organizations for food. Referred to the Committee on Agriculture and Forestry.

S. 4819, by Senator Brookhart, Iowa, Republican, increasing the appropriations for public roads from \$125,000,000 to \$500,000,000 for a period of two years.

S. 5060, by Senator Caraway, Arkansas, Democrat, to provide for the immediate payment to veterans of the face value of their adjusted-service certificates. Referred to the Committee on Finance.

Various bills, similar to the Senate bills mentioned above, have been introduced in the House since Congress convened. As with the Senate bills, they were referred to various committees where they are awaiting consideration.

A complete record of the outcome of the Administration relief measures will be found in this issue of the DIGEST.

Interest in Congress in legislation for a permanent plan to avoid wholesale unemployment has centered on the series of bills introduced by Senator Robert F. Wagner, N. Y., Dem. The provisions and history of these bills, together with a pro and con discussion of the most controversial one, will be found in this issue.

Emergency Aid For Employment

President Hoover's Program

WHEN Congress convened in December, President Hoover, in his annual message, took occasion to review the steps taken by the Executive during 1930 to meet the immediate problem of unemployment in the nation. This statement not only includes his general program of action for emergency relief, but contains observations on unemployment prevention. The President said:

"Economic depression cannot be cured by legislative action or executive pronouncement. Economic wounds must be healed by the action of the cells of the economic body—the producers and consumers themselves. Recovery can be expedited and its effects mitigated by cooperative action. That cooperation requires that every individual should sustain faith and courage; that each should maintain his self-reliance; that each and every one should search for method of improving his business or service; that the vast majority whose income is unimpaired should not hoard out of fear but should pursue their normal living and recreations; that each should seek to assist his neighbors who may be less fortunate; that each industry should assist its own employees; that each community and each State should assume its full responsibilities for organization of employment and relief of distress with that sturdiness and independence which built a great Nation.

"Our people are responding to these impulses in remarkable degree.

"The best contribution of Government lies in encouragement of this voluntary cooperation in the community. The Government, National, State, and local, can join with the community in such programs and do its part. A year ago I, together with other officers of the Government, initiated extensive cooperative measures throughout the country.

"The first of these measures was an agreement of leading employers to maintain the standards of wages and of labor leaders to use their influence against strife. In a large sense these undertakings have been adhered to and we have not witnessed the usual reductions of wages which have always heretofore marked depressions. The index of union wage scales shows them to be today fully up to the level of any of the previous three years. In consequence the buying power of the country has been much larger than would otherwise have been the case. Of equal importance the Nation has had unusual peace in industry and freedom from the public disorder which has characterized previous depressions.

"The second direction of cooperation has been that our governments, National, State, and local, the industries and business, so distribute employment as to give work to the maximum number of employees.

"The third direction of cooperation has been to maintain and even extend construction work and betterments in anticipation of the future. It has been the universal experience in previous depressions that public works and private construction have fallen off rapidly with the general tide of depression. On this occasion, however, the increased authorization and generous appropriations by the Congress and the action of States and municipalities have resulted in the expansion of public construction to an amount even above that in the most prosperous years. In addition the cooperation of public utilities, railways, and other large organizations has been generously given in construction and betterment work in anticipation of future need. The Department of Commerce advises me that as a result, the volume of this type of construction work, which amounted to roughly \$6,300,000,000 in 1929, instead of decreasing will show a total of about \$7,000,000,000 for 1930. There has, of course, been a substantial decrease in the types of construction which could not be undertaken in advance of need.

"The fourth direction of cooperation was the organization in such States and municipalities, as was deemed necessary, of committees to organize local employment, to provide for employment agencies, and to effect relief of distress.

"The result of magnificent cooperation throughout the country has been that actual suffering has been kept to a minimum during the past 12 months, and our unemployment has been far less in proportion than in other large industrial countries. Some time ago it became evident that unemployment would continue over the winter and would necessarily be added to from seasonal causes and that the savings of workpeople would be more largely depleted. We have as a Nation a definite duty to see that no deserving person in our country suffers from hunger or cold. I therefore set up a more extensive organization to stimulate more intensive cooperation throughout the country. There has been a most gratifying degree of response from governors, mayors, and other public officials, from welfare organizations, and from employers in concerns both large and small. The local communities through their voluntary agencies have assumed the duty of relieving individual distress and are being generously supported by the public.

"The number of those wholly out of employment seeking for work was accurately determined by the census

last April as about 2,500,000. The Department of Labor index of employment in the larger trades shows some decrease in employment since that time. The problem from a relief point of view is somewhat less than the published estimates of the number of unemployed would indicate. The intensive community and individual efforts in providing special employment outside the listed industries are not reflected in the statistical indexes and tend to reduce such published figures. Moreover, there is estimated to be a constant figure at all times of nearly 1,000,000 unemployed who are not without annual income but temporarily idle in the shift from one job to another. We have an average of about three breadwinners to each two families, so that every person unemployed does not represent a family without income. The view that the relief problems are less than the gross numbers would indicate is confirmed by the experience of several cities, which shows that the number of families in distress represents from 10 to 20 per cent of the number of calculated unemployed. This is not said to minimize the very real problem which exists but to weigh its actual proportions.

"As a contribution to the situation the Federal Government is engaged upon the greatest program of waterway, harbor, flood control, public building, highway, and airway improvement in all our history. This, together with loans to merchant shipbuilders, improvement of the Navy and in military aviation, and other construction work of the Government will exceed \$520,000,000 for this fiscal year. This compares with \$253,000,000 in the fiscal year 1928. The construction works already authorized and the continuation of policies in Government aid will require a continual expenditure upwards of a half a billion dollars annually.

"I favor still further temporary expansion of these activities in aid to unemployment during this winter. The Congress will, however, have presented to it numbers of projects, some of them under the guise of, rather than the reality of, their usefulness in the increase of employment during the depression. There are certain common-sense limitations upon any expansions of construction work. The Government must not undertake works that are not of sound economic purpose and that have not been subject to searching technical investigation, and which have not been given adequate consideration by the Congress. The volume of construction work in the Government is already at the maximum limit warranted by financial prudence as a continuing policy. To increase taxation for purposes of construction work defeats its own purpose, as such taxes directly diminish employment in private industry. Again any kind of construction requires, after its authorization, a considerable time before labor can be employed in which to make engineering, architectural, and legal preparations. Our immediate problem is the increase of employment for the next six months, and new plans which do not produce such immediate result or which extend commitments beyond this period are not warranted.

"The enlarged rivers and harbors, public building, and highway plans authorized by the Congress last session, however, offer an opportunity for assistance by the temporary acceleration of construction of these programs even faster than originally planned, especially if the technical requirements of the laws which entail great delays could be amended in such fashion as to speed up acquisitions of land and the letting of contracts.

"With view, however, to the possible need for accelera-

tion, we, immediately upon receiving those authorities from the Congress five months ago, began the necessary technical work in preparation for such possible eventuality. I have canvassed the departments of the Government as to the maximum amount that can be properly added to our present expenditure to accelerate all construction during the next six months, and I feel warranted in asking the Congress for an appropriation of from \$100,000,000 to \$150,000,000 to provide such further employment in this emergency. In connection therewith we need some authority to make enlarged temporary advances of Federal-highway aid to the States.

"I recommend that this appropriation be made distributable to the different departments upon recommendation of a committee of the Cabinet and approval by the President. Its application to works already authorized by the Congress assures its use in directions of economic importance and to public welfare. Such action will imply an expenditure upon construction of all kinds of over \$650,000,000 during the next twelve months."

The President's Emergency Committee for Employment

ON October 17, 1930, President Hoover announced he had asked the Secretaries of the Treasury, War, Navy, Agriculture, Commerce, and Labor and the Governor of the Federal Reserve Board to formulate and submit to him plans for "continuing and strengthening the organization of Federal activities for employment during the winter of 1930-31."

In a press statement containing this announcement, the President said:

"There are three directions of organization in which the Federal Government activities can cooperate. First; cooperation with the governors and employment organizations of the states and local communities; second; development of methods with the national industries and third; in direct Federal employment in public works, etc.

"It will be remembered that ten months ago we set up such arrangements which have continued since that time, and which have contributed greatly to reduce unemployment. At that time the Governors of many of the states established strong committees for action in relief and most of these organizations have shown a high record of real accomplishment. The present conditions of organization vary greatly in different states. In the great majority of industrial states the governors have on their own initiative taken steps to reorganize or develop or further strengthen their organizations for the forthcoming winter. During the past few weeks I have been in communication with some of the governors in development of methods by which the Federal Government can further supplement assistance to their organizations. The Cabinet committee will further discuss these conditions with governors and state agencies and we will again seek the cooperation of our business leaders and our national industries which we have had on so generous a scale during the past year. We shall also review the federal situation of public works and the situation in construction among the national industries together with other methods by which we can continue to be of assistance. There are no two states or municipalities where the problem is the same or where the methods for assistance are identical. With the survey

of the methods in progress for the past 10 months we should have valuable suggestive material and information for the winter.

"The initiative of the various governors and local authorities in preparation for the winter is well indicated by the action of the Governor of Illinois who recently organized a state committee; reorganized efforts with the Mayor of Detroit; the committees created in New York; the extraordinarily effective organization in the State of Ohio, and at many other points throughout the country—all of them indicating a strong feeling of local responsibility and determination to meet the situation.

"As a nation we must prevent hunger and cold to those of our people who are in honest difficulties."

The official name of this committee is "The President's Emergency Committee for Employment." On October 22, Col. Arthur Woods of New York was appointed chairman of the committee by President Hoover. Col. Woods came to Washington at once and assumed active charge of the work. A first hand account of the work of the committee and how it has progressed was written for THE CONGRESSIONAL DIGEST by Col. Woods and appears on page 5 of this issue.

Appropriations Requested for Emergency Construction Work

ON December 4, the President transmitted to Congress a supplemental estimate from the Director of the Budget of appropriations for the remainder of the fiscal year ending June 30, 1931, for emergency construction work, on projects already authorized by law for the purpose of increasing employment. Extracts from the report of the Director of the Budget to the President follow:

"Sir: By your direction, I have the honor to submit herewith a supplemental estimate of appropriation for the fiscal year 1931 for the purpose of accelerating during the remainder of the current fiscal year such work on authorized governmental construction projects as will increase employment during the present emergency, as follows:
Emergency construction fund.....\$150,000,000

"In response to your request I have canvassed the departments with a view to ascertaining how much money could be spent during the next six months with a view to aiding the unemployment situation if additional funds could be provided.

"This canvass has been conducted with the limitations which you indicated kept clearly in mind, namely, (1) items which would require additional congressional authorization have been eliminated, (2) items which do not afford direct benefit to the employment situation within the next six months have been eliminated, (3) only such items have been included as are believed to be justified on their merits and for which money would be provided within the next few years as Government finances would permit, and (4) while some of these projects cannot be fully completed within the next six months and will necessarily involve some additional future expenditure to complete them, the emphasis has been laid in every case upon the relief which would be afforded to the unemployment situation during the next six months and projects which would involve materially larger expenditures in the future to complete them have been eliminated, except in those cases where the commencement of the project is con-

templated in the 1932 estimates now before Congress.

"This supplemental estimate of appropriation is required to meet an emergency which has arisen since the transmission of the Budget for the fiscal year 1931."

The President Takes

Issue With Congress

A NUMBER of bills were introduced in Congress at the opening of the session for considerably larger amounts than were recommended by the President, and on December 9, the President issued the following statement:

"I observe that measures have already been introduced in Congress and are having advocacy, which, if passed, would impose an increased expenditure beyond the sum which I have recommended for the present and the next fiscal year by a total of nearly \$4,500,000,000, and mostly under the guise of giving relief of some kind or another. The gross sums which I have recommended to carry on the essential functions of the Government include the extreme sums which can be applied by the Federal Government in the actual unemployment relief and are the maximum which can be financed without increase in taxes."

"No matter how devised an increase in taxes in the end falls upon the workers and farmers or alternatively deprives industry of that much ability to give employment and defeats the very purpose of these schemes. For the Government to finance by bond issues deprives industry and agriculture of just that much capital for its own use and for employment. Prosperity cannot be restored by raids upon the public treasury.

"The leaders of both parties," the President pointed out, "are cooperating to prevent any such event. Some of these schemes are ill considered. Some represent enthusiasts and some represent the desire of individuals to show that they are more generous than the administration or that they are more generous than even the leaders of their own parties. They are playing politics at the expense of human misery.

"Many of these measures are being promoted by organizations and agencies outside of Congress and are being pushed upon members of Congress. Some of them are mistaken as to the result they will accomplish and they are all mistaken as to the ability of the Federal Government to undertake such burdens. Some of these outside agencies are also engaged in promoting political purposes. The American people will not be misled by such tactics."

Part of the President's criticism was leveled at the various drought relief measures but it also referred to some of the bills for appropriations for employment greatly in excess of the amounts the President recommended. (See Foreword, p. 1.)

Congress Acts Swiftly

on Emergency Measures

ON December 9, the House Committee on Appropriations reported a bill (H. R. 14804) prepared by the committee, appropriating \$110,000,000 for construction projects. In his report Will R. Wood of Indiana, Chairman of the Committee, stated that the appropriation of the remaining \$40,000,000 to make up the \$150,000,000 recommended by the President, would be included in the first

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▲ The Emergency Committee at Work

by
Colonel
Woods ▼

THE most encouraging circumstance in the present unemployment emergency is the changed attitude on the part of the employer toward the employee. Whereas in former depressions the first thing the employer thought of was to reduce his force, lay off his help, cut down wages, today he gives evidence everywhere of making all kinds of efforts to hold on to his workmen, maintain wages, keep his forces employed, or, if he is forced to let them out, of giving them every assistance within his power to tide them over the period of unemployment.

The laying off of help formerly was entirely a matter of private concern; nobody's business except the man who was fired and the man who fired him. When times were hard and the business man called on his banker for assistance, the first question the banker asked was, "Have you cut down your payroll?" Today banker and business man agree with everyone else that the laying off of help is to be avoided just as long as possible, consistent with sound business policy. This change in the attitude of business is extremely heartening.

Following the stock market crash a year ago in October, President Hoover at once initiated a movement for the marshaling of all the economic forces of the country. Capital and labor interests were brought into conference, and an agreement resulted, that capital, on its part, would undertake to maintain wage scales on the existing basis, and labor, on its part, would refrain from strikes. Those agreements have been largely adhered to by both groups, and it has become evident to those familiar with the situation throughout the country that this has been a most important contributory factor to the stabilization of conditions. Without that agreement made at the President's suggestion, there can be little doubt but that conditions would be far worse than they are today.

An important feature of the program of the President's Emergency Committee has been the accelerating of public building work through the cutting of red tape and the elimination of obstacles to speedy construction. The Committee's object is to encourage and urge the immediate construction of public buildings which normally would be spread over a period of years, concentrating as much as possible of the normal building program of public works for the next few years into the next few months.

Among the bottle necks which we found to be delaying public building construction was the law which requires that all sites for public buildings be selected by a single committee on the selection of sites. This committee, alone

and unaided, is charged by law with choosing suitable sites, and it cannot under existing law delegate its responsibilities to any other group. It is obliged to travel up and down the country, from one community to another, and personally view every suggested location for a postoffice building or other federal structure, and make its own choice, alone and unaided. This is a tremendous task in itself, and a time-consuming process.

Another cause of delay was the fact that under the law, while private architectural firms can be called on for assistance in the drawing of plans for public buildings, all specifications must be drawn in the office of the Supervising Architect of the Treasury. The supervising architect's office can handle the normal flow of requirements for specifications, but it is not equipped, and should not be expected, to handle the present accelerated demand.

To relieve these situations, two important bills have been introduced in Congress. One of these authorizes the appointment of eleven more committees on the selection of sites, so that the delays incident to this important step in the federal building program may be definitely removed. The second bill permitted the drawing of specifications for public buildings in the offices of private architects, subject to checking and revision in the Supervising Architect's office. This, it is believed, will remove the major portion of the work from that office, and permit the drawing of specifications to keep pace with the rest of the program.

It has been frequently said that the employment of one man on a federal job puts to work three men in private industry to produce the materials and supplies which he will use. Without debating the accuracy of such estimates, it must be apparent to all that the employment of men on any construction work sets up a cycle of employment which is constantly spreading and widening like the ripples produced by throwing a stone into a pool of water. Once enough of these cycles of employment can be started the country will have progressed a long way on the road toward recovery from its present economic condition.

The country as a whole has responded most heartily to the emergency. Evidence is pouring in that communities are organizing to meet their own problems. They are undertaking the relief of those who are destitute and in want as a result of the unemployment crisis. They are embarking on programs of public works, and speeding up those programs already decided upon. They are developing building modernization and spruce-up campaigns to provide temporary employment. They are organizing industry to reduce layoffs, stagger employment, assist em-

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Efforts in Congress to

Chronology—

1907

THE genesis of the present United States Employment Service is contained in Section 40 of the Immigration Act of February 20, 1907, which authorized a division of information in the Immigration Service of the Department of Labor, charged with the duty of promulgating a beneficial distribution of aliens, admitted to the United States, among the States desiring immigrants. This division was continued until January 3, 1918. (See under that date below.)

1914

BECAUSE of an economic depression, the problem of unemployment in the United States began to attract widespread public attention. It was the subject of legislation or administrative action in several States which resulted in the establishment of temporary or permanent state agencies to aid unemployment.

In this year a number of bills were introduced in Congress to establish a Federal system of employment bureaus. After holding hearings the House Committee on Labor reported a bill for this purpose but it failed to receive action.

The United States Commission of Industrial Relations, a commission appointed by President Wilson to make a general survey of industrial conditions throughout the country, recommended the creation of a Bureau of Employment within the Department of Labor to cooperate with State employment bureaus.

Although no central Federal employment agency was set up, the Department of Labor, on its own initiative, obtained the cooperation of the Post Office Department and the Department of Agriculture and by augmenting the information division of the Immigration Service, established in 1907, practically set up a job-finding system on a national scale.

1917

THE question of a Federal employment service again came up in connection with the war emergency. Congress appropriated \$250,000 for use by the Department of Labor. This was supplemented by \$2,000,000 from the President's emergency fund. This money was used for the establishment of emergency employment offices under Federal direction all over the country, numbering at one time between 800 and 900.

In December, President Wilson recommended to Congress authorization of public works on a large scale to prevent widespread unemployment. Congress did not act, but the War Department used existing public projects to find employment for demobilized soldiers.

1918

ON January 3, administration of the United States Employment Service as a distinct and separate unit of the Department of Labor was inaugurated under an order promulgated January 3, 1918, by the Secretary of Labor. On that date complete instructions for the creation of an employment service as a distinct and separate unit were issued. Seven divisions were provided for: Women's, information, service reserves, farm service, investigation, statistical, and service offices. The United States Employment Service has continued to function under an annual appropriation ever since.

1919

IN April the Department of Labor, at the instance of President Wilson, called a conference at which the Governors of states and various Federal and State employment offices were represented. This conference urged the continuation of the Federal employment agency system as a permanent bureau of the Department of Labor. The Kenyon-Nolan bills were introduced in Congress to carry out these recommendations, and were given the endorsement of President Wilson in a message to Congress.

This bill was supported by the American Federation of Labor and various social welfare organizations. It was reported by the House Committee on Labor, but Congress took no action.

Along with nearly all war emergency appropriations, those for the Federal employment service were cut down to a minimum by Congress in 1919.

1920

A SECOND industrial conference called by President Wilson recommended the planning of public works, and the creation of an employment clearing house under Federal control, to cooperate with State bureaus.

1921

IN September a Conference on Unemployment was called by President Harding, and Herbert Hoover was named chairman. The conference recommended an adequate permanent system of employment offices and the expanding of public works during periods of depression. The recommendations of the conference in regard to employment offices follows:

Stabilize Employment

1907 — 1929

"1. A permanent system of employment offices for bringing workers and jobs together with the quickest dispatch is necessary, both in times of depression and prosperity.

"2. Your committee finds that there are now 25 States which have established State employment systems, and public employment offices are now being operated in about 200 cities, of which about 17 are purely municipal enterprises. Most of the 200 offices are supported jointly by the State and municipality. Your committee feels that in any permanent system the State should be the operating unit of such employment offices, and that the extension of such offices should be encouraged. The Federal Government itself should not operate local offices or do placement work.

"3. However, for the purpose of bringing about coordination, the Federal Government should—

(a) Collect, compile, and make available statistical information.

(b) Collect and make available information which will facilitate interstate placements.

(c) Through educational measures improve standards of work and encourage the adoption of uniform systems.

"4. The existing provision of the Federal Government and many State governments for all branches of such work is inadequate, and should be strengthened. The work is of first-rate importance, and should be recognized as a job for men of first-grade ability from the top down. The director should be appointed directly by the President. Adequate salaries should be provided and adequate safeguards to secure the proper personnel and to protect the tenure of office.

"5. An adequate permanent system of employment offices as above suggested would obviate the necessity of creating new offices whenever new emergencies arise. It would also prevent the public employment office from being regarded as a mere temporary philanthropic device, and thus through misunderstanding from not being used generally.

"6. In order to secure and maintain the confidence of both employers and workers in the impartiality of the service rendered and the statistics published, an advisory committee consisting of representatives of employers and workers should be appointed to cooperate with the director as well as a similar system of local advisory committees to cooperate with the State and municipal offices."

1927

SENATOR PEPPER of Pennsylvania introduced a resolution in the Senate for the appointment of a Senate committee to study the stabilization of employment and industry through advance planning, but it was not adopted by the Senate.

1928

SENATOR WESLEY L. JONES, of Washington introduced a bill providing for a prosperity reserve fund, which involved placing in the hands of various Federal departments, particularly the War Department, funds for immediate use of public works, when an employment crisis should arise. Hearings were held but no further action was taken. Senator Jones reintroduced his bill in April 23, 1929, and it is now before the Senate Committee on Commerce.

On May 3, the Senate adopted S. Res. 219, introduced by Senator James Couzens, Mich. R., authorizing and directing the Senate Committee on Education and Labor to investigate the causes of unemployment.

The platform adopted by the Democratic National Convention contained a plank urging long range planning of public works as an aid to unemployment. Governor Alfred E. Smith, Democratic candidate for President, stressed this plank in several of his speeches.

Herbert Hoover, after his election as President, made an announcement to the annual conference of governors that he favored the early adoption of a long range plan to public works.

In December, 1928 and in January and February, 1929 the Senate Committee on Education and Labor held exhaustive hearings on unemployment.

1929

ON February 25, the Senate Committee on Education and Labor made a comprehensive report, accompanied by a print of its hearings (Senate Report 2072, Seventieth Congress). The Committee's summary of its recommendations follows:

1. Private industry should recognize the responsibility it has to stabilize employment within the industry. The Government should encourage this effort in every way, through sponsoring national conferences, through publishing information concerning the experience had by industries in this work, and through watching every opportunity to keep the thought of stability uppermost in the minds of employers.

2. Insurance plans against unemployment should be confined to the industry itself as much as possible. There is no necessity and no place for Federal interference in such efforts at this time. If any public insurance scheme

is considered, it should be left to the State legislatures to study that problem.

3. The States and municipalities should be responsible for building efficient unemployment exchanges. The Government should be responsible for coordinating the work of the States so as to give a national understanding of any condition which may rise and so as to be able to assist in any national functioning of the unemployment exchanges.

4. The existing United States Employment Service should be reorganized, and every employee should be placed under civil service.

5. Efforts should be made to provide an efficient system for obtaining statistics of unemployment. The first step should be taken by the Bureau of the Census in 1930, when the bureau should ascertain how many were unemployed as of a certain date and how many were not seeking employment and yet were unemployed as of that date.

6. The Government should adopt legislation without delay which would provide a system of planning public works so that they would form a reserve against unemployment in times of depression. States and municipalities and other public agencies should do likewise.

7. Further consideration might well be given to two questions, the effect had on unemployment by industrial developments, such as consolidation of capital, and the necessity and advisability of providing either through private industry, through the States, or through the Federal Government, a system of old age pensions.

The President's Unemployment Committees, 1921-1930

AS an outgrowth of the 1921 Conference on Unemployment a number of national surveys were set up to enlarge the general understanding of the nation's economic system and to stimulate the continuing reduction of unemployment. The first of these surveys was the study of Business Cycles and Unemployment made in 1922-23 for a sub-committee of the conference. The second was a study of Seasonal Operation in the Construction Industries, made in 1923-24 for another sub-committee of the conference.

The third, a survey of Recent Economic Changes, begun in January, 1928, and completed in February, 1929, is an analysis of post-war developments in American economic life, particularly those since the recovery from the depression of 1920-21. At the suggestion of President Hoover, and with the assistance of the National Bureau of Economic Research and the Department of Commerce, this committee also undertook, in July, 1929, an examination of the Planning and Control of Public Works and their relation to employment. This report (1930) recently made public is, like its predecessors, the result of the collaboration of a large number of agencies, governmental and private.

The conclusions given below from the 1930 report of this committee are said to express the views of the present Administration and states the reason for the committee's continuing activities. This committee is composed of the following members:

Arch W. Shaw, Chairman; Renick W. Dunlap, William Green, Julius Klein, John S. Lawrence, Max Mason,

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The United States Employment

Service Today

Director General: Francis I. Jones

FOR the fiscal year ending June 30, 1930, an appropriation of \$217,000, plus a deficiency appropriation of \$23,000 was granted the United States Employment Service. For the fiscal year 1931 the appropriation is \$385,000, which includes \$100,000 for the veterans' division.

The present Public Employment Service consists of a cooperative arrangement with the several States. At present we are cooperating with 36 States and the District of Columbia in maintaining placement offices. In each of these 36 States a Federal director is appointed at a nominal salary of \$1 per annum, who is usually an official of the State department of labor and industry. In some instances nominal cooperation is extended to various civic organizations throughout the United States. The cooperation extended by this service to the several States consists of a nominal appointment which allows the use of the penalty envelope for official business and the furnishing of standardized forms for the conduct of the work and arrangements for the clearing of labor between the several States where cooperation exists. The number of cooperative local public employment offices throughout the United States is 214 sponsored and maintained as follows:

State and municipal employment offices.....	176
Chamber of commerce employment offices.....	24
Other civic organizations employment offices.....	14

The Farm Labor Division operated during the fiscal year ending June 30, 1930, under an appropriation of \$80,000. Three administrative field offices and 11 permanent branch offices were maintained during the year. The average approximate cost of maintaining the administrative field offices was \$8,000 each. The average approximate cost of maintaining permanent branch offices was \$3,000. The cost of maintaining these 14 field offices of the Farm Labor Division amounts to approximately \$57,000, which includes rent, phone service, salaries, traveling, and miscellaneous expenses. In addition, during the harvest in the Middle West, about 40 temporary traveling agents are employed at an approximate cost of \$23,000 per annum.

The Veterans' Division of the United States Employment Service now in process of organization consists of 22 offices located at Atlanta, Ga.; Baltimore, Md.; Boston, Mass.; Chicago, Ill.; Cleveland, Ohio; Dallas, Tex.; Detroit, Mich.; Denver, Colo.; Indianapolis, Ind.; Louisville, Ky.; Minneapolis, Minn.; Newark, N. J.; New Orleans, La.; New York City; Omaha, Nebr.; Philadelphia, Pa.; Pittsburgh, Pa.; St. Louis, Mo.; Salt Lake City, Utah; San Francisco, Calif.; Seattle, Wash.; Washington, D. C.

The personnel of these offices comprise one superintendent at a salary of \$2,400 per annum and one assistant stenographer-typist at a salary of \$1,440 per annum. A deficiency appropriation of \$23,000 was made available by Congress to this service for the organization of the Veterans' Division on May 1 and \$100,000 was appropriated for the operation of the division for the fiscal year ending June 30, 1931. The organization of the Veterans' Division was to be in cooperation with the United States Veterans' Bureau to the extent that the Veterans' Bureau would furnish space and office facilities.—*Ext.*, see 9, p. 32.

**Action in
Present
Congress**

The Wagner Proposals To Prevent Unemployment

ON January 9, Senator Robert F. Wagner, New York, Democrat, introduced three bills which comprised a program of legislation for the prevention of unemployment, as follows:

S. 3059—A bill to provide for the advance planning and regulated construction of certain public works, for the stabilization of industry, and for the prevention of unemployment during periods of business depression.

S. 3060—A bill to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes.

S. 3061—A bill to amend section 4 of the act entitled "An act to create a Department of Labor," approved March 4, 1913. (Text given below.)

The three bills were referred to the Senate Committee on Commerce. In response to requests from Senator Johnson, Calif., Rep., Chairman of the Committee, the United States Department of Labor, submitted the following views, respectively on the three measures.

On January 30, 1930, the Secretary of Labor stated (in part) with regard to S. 3059:

"This bill is evidently introduced with the very best intentions, and seeks to make public work available in the shortest time possible in cases of business depression and seasons of unemployment of labor.

"I am friendly to any movement of this kind, but it does appear to me that the machinery created by the act would require more time to function than the machinery already in existence. It strikes me that the Federal employment stabilization board established by section 3 of this act is not given any authority that does not already exist, and the same would seem to apply to that part of the act providing for the compilation of necessary information. The President now can utilize the services of the Secretaries of the Treasury, Agriculture, Commerce, and Labor to create the board in an emergency and the statistical divisions are already functioning.

"Section 13, however, places in the hands of this board a sum not in excess of \$150,000,000 in any one fiscal year to be expended upon public works. If such a running appropriation is legal and safe, and I think it is, then section 13 of this bill would permit quick action (which is now impossible) in case of sudden increases in unemployment.

"I need not impress upon your mind that by the time an appropriation can be gotten through Congress for any public work the suffering from unemployment might have become intolerable or ceased to exist. It would seem that it ought not to be necessary to create the machinery pro-

vided in this act in order to have some body to which the \$150,000,000 could be appropriated. In short, while it is absolutely necessary that Congress devise some way of having money immediately available when emergency arises, a less cumbersome method might be devised. It occurs to me that it might be appropriated to the Treasury Department to be called upon by the President in an emergency.

"These are some of the ideas that I feel should be most carefully considered in connection with the proposed legislation. When we are faced with periods of depression promptest possible action is essential."

On March 10, 1930, the Secretary of Labor stated (in part) in regard to S. 3060:

"We have given careful and thoughtful consideration to the bill. There are two schools of thought abroad as to whether the Federal Government or the States should establish and maintain public employment offices, and I am well convinced that the general public favors that the State be the unit in conducting public employment offices, with the Federal Government cooperating and acting as a national clearing house for labor. This maintains the time-honored principle of State rights. I favor in all cooperative enterprises that the interests of the Federal Government be protected, and when Federal financial assistance is given, a certain amount of authority should naturally follow. This bill has safeguarded."

On February 24, 1930, the Acting Secretary of Labor, Mr. Robt White stated in regard to S. 3061:

"With reference to bill S. 3061, to amend section 4 of the act entitled, 'An act to create a Department of Labor,' approved March 4, 1913, you are advised that the department under its organic act is authorized to do everything mentioned in this bill, it being just a matter of appropriation. I am informed that the bill is not in accord with the financial program of the President."

On March 18, 21 and April 1, 1930 a sub-committee of the Senate Committee on Commerce held hearings on all three proposals at which time both the proponents and opponents were heard.

Action on the bills followed in rapid succession as follows:

S. 3059 was reported with amendments to the Senate from the Committee on April 3, 1930. It was debated, amended, and passed the Senate on April 28, 1930. Referred to the House Committee on the Judiciary on May 5, 1930 and reported from the Committee on June 19, 1930. (Report No. 1971; Part 1, Majority Report and Part 2, Minority Report.) It passed the House, amended, on July 1, 1930 and was sent to conference July 2, 1930.

S. 3060 was reported with amendments to the Senate on April 10, 1930. It passed the Senate on May 12, 1930. Referred to House Committee on the Judiciary on May 13, 1930 and reported with amendments from the Committee on June 26, 1930. (Report No. 2033.)

S. 3061 was reported with amendments to the Senate on April 3, 1930. (Report No. 321), and passed the Senate on April 28, 1930. Referred to the House Committee on Labor on May 5, 1930, and reported on May 19, 1930. (Report No. 1531.) It passed the House on July 1, 1930, and was approved on July 7, 1930. (Public Law No. 537.)

On June 11 and 12, 1930, the House Committee on the Judiciary held extensive hearings on not only the two Wagner bills, S. 3059 and S. 3060, but on all similar measures dealing with plans for permanent relief of unemployment which had been referred to that Committee.

The bill S. 3061, which became a law on July 7, 1930 (Public Law No. 537, Seventy-first Congress) provides as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act entitled "An Act to create a Department of Labor," approved March 4, 1913, is amended by adding at the end thereof the following new paragraph:

"The Bureau of Labor Statistics shall also collect, collate, report, and publish at least once each month full and complete statistics of the volume of and changes in employment, as indicated by the number of persons employed, the total wages paid, and the total hours of employment, in the service of the Federal Government, the States and political subdivisions thereof, and in the following industries and their principal branches: (1) Manufacturing; (2) mining, quarrying, and crude petroleum production; (3) building construction; (4) agriculture and lumbering; (5) transportation, communication, and other public utilities; (6) the retail and wholesale trades; and such other industries as the Secretary of Labor may deem it in public interest to include. Such statistics shall be reported for all such industries and their principal branches throughout the United States and also by States and/or Federal reserve districts and by such smaller geographical subdivisions as the said Secretary may from time to time prescribe. The said Secretary is authorized to arrange with any Federal, State, or municipal bureau or other governmental agency for the collection of such statistics in such manner as he may deem satisfactory, and may assign special agents of the Department of Labor to any such bureau or agency to assist in such collection."

The bill, S. 3059, now in conference, was greatly altered in its progress. Even the title was changed and Sections 7-12, inclusive, were entirely stricken from the bill. The following digest, made by Senator Wagner, gives the import of each section, those in brackets being the sections omitted by the House. The Senate conferees may succeed in restoring these sections or part of them, although the House has once refused to accept them. The bill was still in conference when Congress adjourned on December 20 for the Christmas holidays.

Section 1. Title: Employment stabilization act of 1930.

Section 2. Definition of the terms "board," "United States," and "public works emergency appropriation."

Section 3 (a). Establishes the Federal Employment Stabilization Board with a membership composed of the Secretaries of the Treasury, Commerce, Agriculture, and Labor, and prescribes the function of the board, to advise the President of the trend of business activity.

Section c (b). Provides for the personnel of the board, the chief of which is to be a director. All other assistants and experts are to be selected under civil service and their compensation fixed under the classification act.

Section 4. Prescribes the basis of action of the board in advising the President. It prescribes that the board shall take into consideration the volume of construction contracts for a period of three months preceding action and that it may take into consideration the index of employment of the Department of Labor and any other information concerning employment.

Section 5. Public works emergency appropriation: On recommendation of the board that a period of unemployment is likely to exist the President is requested to transmit supplemental estimates to Congress for emergency appropriations.

Section 6. Works on which appropriation is used: Emergency appropriations are to be expended to carry out the provisions of the Federal highway act, for river and harbor works, for flood control projects, and for public buildings.

[**Section 7.** Index of employment: The Secretary of Labor is directed to publish an index for the United States as a whole and for each substantial portion thereof.]

[**Section 8.** Preparation of index: All departments of the Government are directed to make available to the Secretary of Labor such statistics as they may have to assist in the preparation of the index of employment.]

[**Section 9.** Acceleration: The President is directed, in order to prevent unemployment, to direct the Secretaries of War, Treasury, and Agriculture (under whose jurisdiction the public construction of the Government is conducted) to accelerate the prosecution of public works under their control.]

[**Section 10.** Advance planning: Advance planning is made a policy of the Government and methods for accomplishing it are set forth: By means of preliminary reports; authorization of projects in excess of annual appropriations; preparation of detailed construction plans.]

[**Section 11.** Public-road projects: Set forth the details of the method of apportioning the moneys to the various States for the construction of Federal-aid highways out of emergency appropriation and for correcting any inequalities among the States that may arise out of awarding to States emergency appropriations for such Federal-aid highways.]

[**Section 12.** Public buildings: Emergency appropriations for public buildings shall not be subjected to the method of allocation prescribed in the public buildings act of May 25, 1926. Congress is given power to allocate and in default of action by Congress, the Secretary of the Treasury may allocate.]

Section 13. An appropriation of \$150,000,000 for any fiscal year is authorized.

A digest by Senator Wagner of S. 3060, the bill on which the pro and con arguments (on page 12 of this

number) are presented, is given below. The brackets indicate the omissions and changes made to date in the bill, which is now awaiting action by the House.

Section 1. United States Employment Service: The United States Employment Service is created as a bureau in the Labor Department, under a director general receiving a salary of \$10,000 [\$8,500] per annum. The existing United States employment service is abolished.

Section 2. [Civil service: A woman assistant director general] and all other officers and employees and assistants shall be [appointed subject to the civil service law and] paid in accordance with the classification act.

Section 3 (a). Functions of the employment service: 1. To establish and maintain a national system of employment offices.

2. To cooperate in establishing and maintaining State employment offices.

3. To coordinate employment services throughout the country by:

(a) Publishing information.

(b) Maintaining a clearing system.

[(c) Establishing uniform standards of procedure.]

[(d) Aiding in transportation of workers.]

[Policy of the service. — Impartiality, neutrality and freedom from politics.]

Section 3 (b): The act shall be administered by the United States Employment Service. The cost of the administration shall not exceed 5 per cent of the amounts appropriated under this act.

Section 4. State acceptance: In order to receive the benefits of State aid appropriations a State must accept the provisions of the Act and designate an agency to cooperate.

Section 5 (a). Appropriations authorized: \$4,000,000. [\$1,500,000 per current fixed year.]

Appropriations distributed.—Seventy-five per cent for State aid in proportion to population; 25 per cent for administration (limited to 5 per cent under section 3 (b)); Federal employment offices and other functions of the Federal service.

State contributions.—In order to receive a State aid grant the State must appropriate an amount equal to the State aid grant which must be not less than 25 per cent of the amount apportioned to the State, and not less than \$5,000.

Section 5 (b): Details in the expenditures of the moneys appropriated.

Section 6. Methods of apportionment: The apportionment must be made within 60 days after an appropriation and the amount necessary for administration and the amount apportioned to each State must be certified to the Secretary of the Treasury and to the treasurers of the several States.

Section 7. Certification: Within 60 days after appropriation the director general must ascertain whether the State has accepted the provisions of the act, the amount appropriated by the State, and whether the State has complied with the requirements of this act. The director general shall then certify to the Secretary of the Treasury the amount to be paid to each State.

Section 8. Approval of State plans: In order to secure the benefits of this act the State must submit and secure the approval of its plans from the director general.

Section 9. State reports, revocation of certificates: State

agencies shall make reports to the director general and the director general may revoke or withhold certificates if the State agency has not properly expended the money appropriated or paid to it. Appeal may be taken to the Secretary of Labor.

Section 10. Temporary provisions for a period of three years: (a) Where no State system of offices is in existence the director general may maintain a Federal system with funds apportioned to the State.

(b) Where there is a State system but no compliance with section 4, the director general may maintain a co-operative system by agreement with the governor of the State.

Section 11 (a). Advisory councils: The director general shall establish advisory councils of employers and employees.

Section 11 (b). Strikes and lockouts: Applicants for employment shall be given notices of strikes and lockouts.

Section 11 (c) Specialization offices: Under this act the director general may provide for the establishment of offices for individual occupations.

Section 12. Rule-making power: The director general with the approval of the Secretary of Labor, may make rules and regulations.

Section 13. Franking privilege: Postmaster General directed to extend the franking privilege to Federal offices and to cooperating State offices.

On December 15, 1930, Senator Wagner introduced another bill, S. 5350, to stimulate the establishment of private unemployment reserves by employers or by employees or by employers and employees jointly. In connection with the bill, Senator Wagner said:

"The unemployment reserve is properly a part of my general program for the prevention of unemployment. It constitutes that part of the program which industry can undertake exclusively on its own responsibility and without the intervention of the Government. The bill I have introduced would have the Government encourage the extension of these reserves by an amendment of the income tax law. The amendment specifically covers these points: 1, the earnings of the unemployment trust are exempted from income tax liability; 2, amounts paid into the trust by employers or employees are allowed as deductions from income; 3, distribution out of the unemployment trust to employees for unemployment relief are exempted from income tax liability.

"Safeguards are provided in the bill against the abuse of the privilege it confers for purposes of tax evasion."

On December 22, 1930, Senator Wagner announced that as the next step in his program for dealing with the problem of unemployment he would introduce, as soon as Congress convenes after the holidays, a resolution calling for a study of the private and public unemployment insurance systems here and abroad and a bill proposing Federal and State cooperation in the maintenance of such a system.

Explaining his new proposal, Senator Wagner said, "A rounded program of organized action against unemployment must contain two primary features: first, the reduction of the amount of unemployment by every known means; second, when unemployment does occur, the prevention of hardship by distributing the loss."

Is Wagner Proposal for Federal Employment Agencies Sound?

◀ PRO

by Senator Wagner

by Senator Bingham

▶ CON ▶

ENTIRELY too much valuable time has been consumed by idle theorizing over the question, Whose problem is unemployment?

I have been told by well-intentioned citizens that each worker should solve the problem for himself. I have been advised that business was under the duty to eliminate unemployment. Others have urged that the municipalities and States were responsible for it. Into this dispute I decline to enter. To me it seems plain that the responsibility of the Federal Government must not be shirked, for the prevention of unemployment is a distinctly national obligation.

Unemployment today is not produced by local causes. The forces which make for the shutdown of factories, the curtailment of activity in the mines and on the railroads are forces which operate on a national and world-wide scale. The individual workman, the individual business, the State, are helpless when an economic storm breaks upon the country. Only the coordinated strength of the entire Nation is competent to deal with such powerful economic forces.

The sooner the Federal Government does its share, the sooner will States, municipalities, and private industries be in a position to contribute theirs.

What portion of that task properly belongs to the Federal Government?

First. The Federal Government should collect accurate information of employment, unemployment, and part-time employment. Such information is fundamental. No intelligent effort to control unemployment can be exerted without it. Today we have no such information. The Federal Government is the agency best equipped to secure it.

Second. The Federal Government is always engaged in constructing highways, developing rivers and harbors, erecting flood-control structures, and public buildings. It should plan these projects in advance and time them so as to make available opportunities for employment when private business slackens.

Third. The Federal Government should join with the States in the establishment of a nation-wide system of public employment offices, so as to assist workers to find

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FEDERAL legislation to aid in meeting employment problems is represented in three bills proposed by Senator Wagner. With respect to one of these bills there is room for great difference of opinion as to the wisdom of its principle and policy.

The first measure proposes a systematic regularization of the construction and repair of the public works of the United States as a means of making Federal contributions to the stabilization of employment. The second measure is intended to provide a national system of employment bureaus. The third authorizes the Bureau of Labor Statistics to collect, compile, and distribute information respecting the state of employment.

With respect to two of these measures, the first and third, proposing a more systematic organization of Federal construction work and the collection of employment information, there was substantial agreement in the Senate. The measures passed without opposition. But the second measure, S. 3060, conceals under the plausible appearance of establishing cooperation between State and national employment agencies a series of proposals which challenge the very form of our Government, and, in my opinion, will excite antagonism and friction instead of that cooperation it is essential to secure.

After a careful study of the proposal I came to the conclusion that as a remedy it is far worse than the disease it attempts to cure. It seems to me seriously objectionable: First, because it seeks to seduce or bribe the individual States to surrender a vital power of self-government and to accept Federal supervision and control in exchange for a Federal appropriation. Secondly, not satisfied with undertaking to persuade the States to part with these vital rights in return for Federal aid, it proceeds to coerce the State into the acceptance of that assistance, and of dominant Federal control, by threatening the establishment and maintenance of competing Federal agencies unless the State accepts the Federal plan. Thirdly, the policy of the bill is in direct contradiction with the recommendations of President Harding's conference on unemployment of 1921, of which President Hoover, then Secretary of Commerce, was chairman. Fourthly, since the bill, in contradiction with the recommendations of the representative conference on unemployment, undertakes to

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jobs and to assist employers to find workers with the least amount of delay and with the least amount of friction. Such a system will establish cooperative channels for the free flow of labor between States and between markets.

This is but a bare outline of what the Federal Government can do toward the prevention of unemployment. It is such a plan which is written into the three bills I introduced and which have been passed by the Senate.

If the Federal Government should begin to exercise these functions, certain definite results may be expected. We shall know where we stand from month to month. We shall no longer grope in the dark. The information will be useful to the Federal Government, to the States, and municipalities, and to each and every intelligent farmer and business man in the country, who will be enabled to guide production by prospective consumption.

Public construction will be concentrated in periods of depression. If the Federal Government will set the example the States and municipalities will do likewise. A public-works program which costs the Nation about \$3,000,000,000 a year will be turned into a balance wheel to keep employment steady. We shall begin to know something about the unemployed. We shall learn what happens to the men displaced by machines and mergers; what is the fate of men who lose their employment after 40? If we know the facts, I believe we shall find solutions. As long as we remain in ignorance we never can find a remedy.

Of course, carrying out this program will cost money. The long range plan bill authorizes an appropriation of \$150,000,000; the employment exchange bill, \$4,000,000. These are big sums of money even for a country as large as the United States. But when you stop to compare these figures with the costs of unemployment, then you become competent to judge which way lies true economy. In one single month last winter factory workers alone lost in wages \$200,000,000. In the first three months of 1930 it has been estimated that wage earners alone lost no less than a billion dollars in wages. If by a little expenditure of money and a big expenditure of thought and plan we can build a dam to shut off this Niagara of money losses arising out of unemployment, is it not sound economy to do so? Consider what it would have meant to the farmer, to the manufacturer, and in turn to the worker if this vast amount of purchasing power had not been withdrawn from the markets.

There are three forms of unemployment with which we are suffering. Two are characterized now as chronic. There is the technological unemployment which is of a chronic nature, the displacement of labor by machines. Then we have the seasonal unemployment, which has been regarded up to the present time as inevitable, although I think it can easily enough be solved if we address ourselves to the problem. The third is the cyclical unemployment, which is usually temporary in its nature.

The reason why we are suffering from this acute unemployment situation at the present time is that upon this chronic unemployment, technological and seasonal, is superimposed this cyclical unemployment which has brought us down so deeply. Strange though it may seem, while we are confronted with the seriousness of technological unemployment our Government has never even

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compel rather than persuade the cooperation of the States, it is likely to excite opposition, and friction rather than local good will and cooperation. In a word, it proposes to adopt a remedy once rejected as impracticable and offensive to the traditions and practice of local self-government.

Let me ask you to consider specifically what this bill proposes to do: It would establish a national system of employment offices under the control of a new bureau in the Department of Labor to be known as the United States Employment Service. Its executive head is to be a director general of employment appointed by the President. The function of this bureau is to furnish information as to opportunities for employment and set up a system of clearing labor between the States by establishing uniform standards, policies, and procedure in its employment agencies, and aiding in the transportation of workers to places of employment. So far the measure proposes nothing incompatible with voluntary cooperation between the State and Federal Government.

But the measure does not stop here—it carries an appropriation of \$16,000,000 to be expended during the next four years, at the rate of \$4,000,000 a year. Three million dollars of this sum is to be annually apportioned among the States of the Union in the proportion which their populations respectively bear to that of the United States, for the purpose of aiding in the establishment of employment offices in the States. A State may secure Federal aid to establish an employment agency system or to support one already in existence by agreeing through its legislature to cooperate with the Federal agency. But to secure this 50 per cent contribution from the National Government the State must submit a plan of operation which conforms to rules and regulations to be prescribed exclusively by the Federal director general, a new bureaucrat in Washington. It must agree not only to conform to his plans and direction, but it must constantly report to him in such form as he shall prescribe. Each State must not only expend the Federal funds in such manner as he directs, but also its own funds appropriated out of its own State treasury. If these requirements are not fulfilled, the director general is authorized to withdraw the Federal aid.

Up to this point the bill says to the States: "Establish an employment agency in the manner the Federal Government prescribes, or agree to operate the one you already have under its direction, and we will contribute 50 per cent of its cost of operation." Now, the operation of a public employment agency and the policy which the State shall pursue toward employment regulation is indisputably a matter completely within the exclusive control of its own legislature, never delegated to the Federal Government by the Constitution, and which under the tenth amendment of the Constitution is reserved to the States. So, up to this point the bill plainly asks that the State voluntarily surrender its local police power and prescribed right of self-government in return for a Federal appropriation.

But the bill also goes further. Its proponents determined not merely to try to bribe but, if necessary, to compel the States to accept the plan which the Federal Government proposes. That is to be accomplished in this way: From an annual fund of \$1,000,000, the director general of employment is authorized, in his discretion, to establish

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begun to study the question of technological unemployment.

In order to solve the problem, we must have available information. We must build the machinery of stabilization and we must create the channels for the free flow of labor from the place of surplus to the place of need. These three things we now utterly and absolutely lack.

Since these three bills were introduced, the Committee on Commerce has held hearings on this legislation and it is the deliberate judgment of that committee, expressed in its reports, that these bills should be passed.

The ideas embodied in the proposed legislation have met very little articulate opposition. Economists have unanimously given these bills the stamp of their approval as sound and feasible and well conceived to attain their stated objects. Employers have indorsed the bills. Labor has put behind them the full force of its organized opinion. Large industrialists all through the country have approved it. The newspapers of the country, without regard to political division, whether Republican or Democratic, whether conservative or liberal, have joined in a single expression that Congress should pass the bills.

Let us turn to the bill (S. 3060), which seems to be the center of attack. Somebody suggested that there are no employment exchanges in England and none in Germany. They have any amount of employment exchanges. That is the center, the crux, of their whole effort to solve unemployment—the employment exchanges. We have altogether 170 offices, and here is Great Britain, with a population of only 42,000,000 as against our 120,000,000, and she has 1,162 public exchanges; Germany, with a population of 62,000,000, has 1,293 public exchanges—to bring the man to the job. They found it absolutely essential during their trying times to have these exchanges, first, to segregate the individual, to find out what he can do, what kind of a mechanic he is, and then to send him to the job that wants that type of man. We have no such analysis here.

And here is the way they are attacking the technological unemployment. A man has lost his craft; they find out just about what kind of work he can do and they have a vocational training school connected with the employment exchange. He is put in there for a week or two, readjusted, so that with his mechanical skill he can do some other type of work for which there is a demand and back he goes into the new employment and maintains his standard of living. That is what these employment exchanges are doing there.

Much of the opposition proceeds on the assumption that there are not any State public employment exchanges. Twenty-five States have employment exchanges today; but none of them is informed as to the economic condition of another State. Now New York State cooperates by a special arrangement with the State of New Jersey; the employment exchanges of the State of New Jersey cooperate with the employment exchanges of the State of New York. Where men of a certain type are wanted in New Jersey, a factory is starting up and there are no men available in the State, they communicate with the State of New York and find out whether or not there are men in the State of New York out of employment who would fit into a place of a particular kind that is available. And it is this cooperation between the States which everybody,

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and operate a system of Federal employment offices in any State which has none of its own. It may be that the people of your State, from a knowledge of local conditions, are satisfied that existing private agencies in industry, manufacture, merchandising, or transportation, or quasi public bureaus, meet the actual needs. Nevertheless, the Federal Government, under this bill, could direct the establishment of a Federal agency to deal with local conditions, whether your State desires it or not.

This is bad enough, but the proposal does not even stop here. Its proponents know that three-fifths of the States and dozens of cities, as well as many voluntary organizations, have established effective employment agencies. These they obviously desire to put under Federal control and direction. To that end the bill declares that in States where there now exists a system of public employment offices, but where the State has not through its legislature accepted Federal aid and control, the director general of employment may enter upon an agreement with the governor of the State for the establishment of a Federal agency system. You will notice here the astonishing proposal that because the legislature of a sovereign State, which alone has the right to determine its public policy, does not wish to accept the terms of the bill, a Federal officer is directed to enter upon a treaty with the executive instead of the legislative branch of the State government to get the governor to do what the legislature refuses to do, thus ignoring and contravening the will of the people.

Proposals involving appropriations for Federal aid in this and other forms approach perilously near to that state of affairs against which our forebears revolted. The money for Federal aid is raised by taxes in which everyone has a part, directly or indirectly. The citizens of no State escape from this. And even if a State declines to accept its share of Federal aid under the conditions imposed upon it by the law authorizing such aid, it is nevertheless obliged to pay its share of the tax made necessary by the law. A paternalistic Federal Government, in effect, says to the States: "This is a good project. You must pay for it whether you believe in it or not." This bill which we are considering goes even further, as already pointed out, and serves notice on the States that they will be compelled to participate in the proposed plan, even though it may be against their will.

Granted that under certain conditions the operation of the plan might be of some present benefit, is it best in the long run that these ends be secured through the Federal Government, or through the State government? Is it best to have more centralization in Washington, more bureaus, more money wrung from the taxpayers for the bureaus to spend, more power for the bureaucrats? Is it wise that for the sake of desirable ends we take away the responsibility of the States to look after their own citizens? My answer is "No!"

Now, let us look at another argument. It is asserted by proponents of this measure that it conforms to the recommendations of President Harding's conference on unemployment, in 1921, and those of the committee on business cycles and unemployment, in 1923, and President Hoover's declarations in his address to the United States Chamber of Commerce.

In his address over the radio on May 24, Senator Wagner declared, respecting President Harding's unemployment conference of 1921:

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who has dealt with this subject, has emphasized, and the purpose of this bill is to bring about that cooperation.

Although the National Association of Manufacturers opposes it, I have not heard from a single manufacturer in the State of New York against this legislation and we have a great many of them there—we are a pretty large industrial State. The only opposition I have heard against this legislation is from private employment exchanges. Now the private employment exchanges, according to their statement here, have an entire misconception of this bill. This bill does not attempt to regulate private employment exchanges; it has nothing to do with private employment exchanges. It deals only with Federal aid to the State employment exchanges in order that we may have cooperation between the States, this communication of economic conditions in one State so that another State may know, which all of the students of this question say is absolutely essential if we are to deal with the question of bringing the man to the job at all.

In this brief against this Bill Mr. Emery, for the National Association of Manufacturers, said that this bill was coercion—coercion of the State. The States decide absolutely whether they will accept this Federal aid or not. Where is there any coercion? If the State says no, that is the end of it.

We have an employment exchange today; the director can erect as many as he likes, and that is why I cannot see the logic of Mr. Emery's argument. He does not object to that, but he does object to the provision of the bill which says, in the event the State does not accept Federal aid then the Federal Government, in order to secure this cooperation (again between the States), may erect an exchange of its own.

We have heard a good deal here about the handling of employment exchanges as a local State function and I want to preserve it as a State function; so, instead of creating these agencies throughout the States, exclusively under Federal Government supervision, I provide that the States shall do the whole thing with Federal aid. Under the bill the State conducts the entire employment exchange; it appoints the employees; it does all the work in connection with the employment exchange.

The only thing the State is required to do is to submit its plan to the Federal Government, so that the Federal Government may know how its money is to be spent and to comply with certain requirements, such as the collection of statistics.

Under the provisions of this bill the States are unfettered so far as the policy they desire to adopt in the appointment of the employees in the employment exchanges is concerned—absolutely. And it is to meet what I feared was an objection to national employment exchanges throughout—the States' rights objection—that I provided that this cooperation be secured by having the States do it all and to give Federal aid simply upon condition that certain things be complied with, namely, that we want the statistical information and, also, that the Federal Government take care of the placement between States—the clearing between States.

We are not creating the organization; the State is doing all of that. We are simply giving Federal aid, just as we give Federal aid in many other instances. If there

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"It finished its sessions by recommending the principles embodied in my three unemployment bills. Mr. Hoover was chairman of that conference."

Now, the conference of 1921, composed of over a hundred representative persons drawn from every walk of life, representative economists, educators, and manufacturers, and representative trade-unionists, adopted unanimously a recommendation for a permanent employment system. It declared that "in any permanent system the State should be the operating unit of such employment offices and the extension of such offices should be encouraged. The Federal Government itself should not operate local offices or do placement work."

Thus, you perceive, the 1921 conference unanimously condemned the very thing this bill directs the Federal Government to do. The conference also made constructive suggestions for collecting statistical information and securing, through persuasion, but not by compulsion, the cooperation of State and Federal employment agencies. President Hoover, recently referred to the recommendations of this conference, summarized its conclusions, and, after expressing his intention of organizing a body representative of "business, economics, labor, and agriculture" for further inquiry and action, emphasized the necessity of meeting this problem "by voluntary cooperation through the great associations representative of business, industry, labor, and agriculture, both nationally and locally."

Two years after President Harding's conference on unemployment, a committee of which Owen D. Young was chairman and which included Matthew Woll, vice president of the American Federation of Labor, made an extensive examination of business cycles and unemployment. Referring back to the recommendations of the President's conference on employment bureaus, this committee concurred in the previous recommendation. It must therefore be evident that, far from receiving support from these official sources, the policy of this bill in having the Federal Government operate local offices is severely condemned by these authoritative and representative expressions.

However, there is a far deeper significance attached to such encroachments upon the rights and prerogatives of the States as this and other Federal-aid propositions involve than the question of feasibility, and the problem of how to relieve unsatisfactory labor conditions. That significance resides in the fact that in this country we are drifting more and more away from the views of our fathers, more and more away from that doctrine of the rights of the sovereign States on which the Constitution was founded, more and more away from the cost of liberty, and toward the enervating benefits of a benevolent despotism.

The tenth amendment to the Constitution specifically provides that "The powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States respectively or to the people." Yet we are continually trespassing upon these rights of the States and are centralizing in agencies of the National Government the authority that belong to the States. It is not the business of Washington to look out for the general welfare of the people but for the general welfare of the States. It is the business of the States to look out for the general welfare of the people. The kind

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is any constitutional objection to this, then all of your Federal aid is unconstitutional.

What about our Department of Agriculture—our appropriations for the Department of Agriculture? That comes under the general welfare provision of the Constitution. What about our Department of Labor? If this is unconstitutional, the appropriation we make for the Department of Labor is unconstitutional. If this is unconstitutional, the appropriation we make for the U. S. Public Health Service is unconstitutional. All of these appropriations are constitutional, or one-third of our Government would just collapse.

We have a Federal employment service today. Nobody has ever suggested that the money expended for the employment service is unconstitutional, or is not authorized by the Constitution.

The argument is made that we are giving the money to the State in return for a surrender of its police powers. The States do not give up anything; they exercise their police power by saying "All right; we will take this money and we will collect these statistics for you; we will cooperate with the other States." It is no more than if I make a contract with you to buy your house for a certain sum of money. I do not give up my right to contract when I make that contract with you; I exercise my right to contract. So the State is not giving up anything; it exercises the right which it has. It may reject or accept, as it pleases. All of this talk about coercion of the State is untenable, to put it very mildly.

Everybody agrees, who has studied this subject, that these employment exchanges are essential. We must admit that State lines are no longer economic barriers. How are we going to get cooperation between the States; how can we ask the State to give us this information to transmit to other States, unless the Federal Government is in there somewhere between the States? You can have Federal employment exchanges in every State in the Union, who will do this communicating between them and so have the clearance between the States, or you can let the States operate the offices. There is the only alternative. Now I took what I regarded as the alternative which preserved States rights as against the alternative of having the Federal Government do it exclusively. The States are responsible for the entire administration of those offices. The aid that they get is because of the help which they give the Federal Government in helping the clearing of labor, the placement between States, and collecting this accurate information. It is a thing which can only be solved by cooperation between the States. A public work started here in Washington affects the shoe factory in Massachusetts, textiles in the South and in the New England States, factories in my State. It is so widespread that it requires cooperation in order intelligently to deal with this subject. And this cooperation being absolutely an essential part of the program, I thought this would preserve State rights and yet give us that cooperation. The only alternative is to forget the States entirely and do it all by the Federal Government.

Year after year, decade after decade, we have yearned and hoped and prayed to be relieved of the recurrent onslaught of unemployment. Here is a program of action, not perfect but the best that the present state of our

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of thing which may be called the general welfare in one State is not called that in another State. Many things are best decided by communities; best, because they cause the most happiness and the greatest development of character. Centralization inevitably leads to despotism and loss of personal liberty. Bureaucracy undoubtedly spells loss of personal responsibility, loss of character. It is in local self-government that we have the best school of citizenship, the best gymnasium for the development of the body politic. We ought to have stronger States, not weaker. The lines between the States should be zealously guarded, not effaced.

If the proponents of the principle of centralization of authority at Washington, of which the bill we are discussing is a striking example, succeed in their efforts to have the Federal Government assume the responsibility for better social welfare, they will eventually succeed in killing off the very spirit of self-reliant citizenry which has made America possible.

Dwelling upon the evils of bureaucratic government in his Williamsburg address in the spring of 1926, President Coolidge said:

"No method of procedure has ever been devised by which liberty could be divorced from local self-government. No plan of centralization has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction, and decline. Of all forms of government, those administered by bureaus are about the least satisfactory to an enlightened and progressive people. Being irresponsible they become autocratic, and being autocratic they resist all development. Unless bureaucracy is constantly resisted it breaks down representative government and overwhelms democracy."

The measure under consideration is condemned by reason and authority. Nor can one doubt that the attempt to enforce it would lead to conflict with established State agencies. Let us provide for the collection of information. Let the Federal Government, as the Executive branch is already doing, organize its own vast projects in relation to its own public works, so that they may assist in taking up the slack in employment whenever necessary. Let the Government, pursuing the recommendations of the 1921 conference, seek and obtain the cooperation of the States, as it can so readily do. The President himself has pointed the way through the great business conference which he called into being and which voluntarily organized the employing forces of the Nation to meet in terms of their respective industries and in the light of their experience the immediate situation which confronts us. Such a plan makes the individual, the community, the industry, meet its own high responsibilities, instead of crying out: "Let Washington do it." It develops individual and local responsibility. But let us not approve of the proposed bill, which corrupts and destroys community and individual initiative and social obligation.—*Extracts, see 2, p. 30.*

Representative Tucker

THIS bill is claimed through its proponents to be a bill to relieve unemployment in the United States, presumably in the industrial world. That such unemployment exists can not be doubted, and it is stated by com-

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knowledge makes possible; not complete but having within it the seeds of further development; not a panacea for all our ailments but bound to contribute to the solution of unemployment. Here is the program: Three bills, constituting the first three steps on the road to stabilized prosperity.—*Extracts, see 1, p. 30.*

Representative Dyer

THIS bill, in a word, sets up a national employment system in co-operation with the various States and endeavors to promote the establishment and maintenance of a national system of public employment offices; and for that purpose creates in the Department of Labor a bureau to be known as the United States Employment Service, under the control of a director general. An appropriation of \$1,500,000 is authorized for the fiscal year ending June 30, 1931, and \$4,000,000 for each fiscal year thereafter, up to and including the fiscal year 1934. Seventy-five per cent of the appropriation is to be apportioned by the director general among the several States in proportion to their population, and the balance of 25 per cent of the money appropriated shall be available for administrative purposes. However, no money shall be expended in any State unless and until an equivalent sum has been appropriated for any year by the State; so that unless the State matches the appropriation of the Federal Government, it shall not be permitted to participate in the benefits of this legislation. Moneys appropriated by both the Federal Government and the States shall be used in the maintenance of public offices as a part of the Federally controlled system of public employment offices, in cooperation and coordination with the state-controlled system of public employment offices.

It was natural that the constitutionality of this legislation should be questioned. The same constitutional question was raised against the act of November 23, 1921, called the maternity act.

This question of constitutionality of the maternity act was presented to the Supreme Court of the United States and although the cases were disposed of on the score that there was want of jurisdiction, nevertheless Mr. Justice Sutherland, delivering the opinion of the court, deemed it important enough to express the following opinion as to the constitutionality of the maternity act of 1921:

"What, then, is the nature of the right of the State here asserted and how is it affected by this statute? Reduced to its simplest terms, it is alleged that the statute constitutes an attempt to legislate outside the powers granted to Congress by the Constitution and within the field of local powers exclusively reserved to the States. Nothing is added to the force or effect of this assertion by the further incidental allegations that the ulterior purpose of Congress thereby was to induce the States to yield a portion of their sovereign rights; that the burden of the appropriations falls unequally upon the several States; and that there is imposed upon the States an illegal and unconstitutional option either to yield to the Federal Government a part of their reserved rights or lose their share of the moneys appropriated. But what burden is imposed upon the States, unequally or otherwise? Certainly there is none, unless it be the burden of taxation, and that falls

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petent authorities that the number of unemployed is announced at the startling figure of 4,000,000. Such a condition is appalling and commands, as it should do, the serious attention of every man engaged in the public service. What these men need and are crying for is a job, an opportunity to work; but an examination of this bill and every section of it will show to the searcher that there is not a job in it. The unemployed are "asking for bread and we are giving them a stone." What they want is an opportunity to work and live.

This bill is open to all sorts of objections. In the first place it lays out the skeleton of another enormous bureau to be established by the Government in conjunction with the States to do a work which belongs either to the Federal Government or to the States, but not to both, and if it belongs to the States this bill, by its sections, seeks to take that right and power from the States and put it in control of the Federal Government. It is said that nearly all of the States have employment agencies connected with their labor departments, which is doubtless of service to the people of the several States. They are organized by the legislature of each State, under directions or rules either prescribed by the legislature or by the chief of the labor bureaus. Those rules and directions are made to suit the conditions of the people of each State. This bill seeks to lay down a method of working out this problem under rules and directions prescribed in this bill and to be further prescribed by the director general to which all the States that come in to participate in it must conform, so that the different sections of the United States, the different labor conditions, are to be denied the privilege of working out their own propositions according to the needs and limitations of their conditions and to accept the conditions of this bill, which may be suitable to one condition in the United States and to all others injurious and baneful.

Sketch in your mind for a moment the different conditions in different sections of the United States as to labor. New England with its highly skilled labor, many of whom are foreigners, many of them French-Canadian, and the great body of foreign laborers in the States of New York, Pennsylvania, and New Jersey; the negro laborer of the South with his peculiarities and interesting characteristics; the Mexican laborer along the borders of Texas and the South; the Japanese and Chinese laborers of the Pacific coast; and the vigorous, virile laborers of the great Northwest, many of original American stock; all of these different elements are provided for today under the States, and their laws on this subject are adapted to them and their characteristics; and now we seek to do away with this and establish a national employment agency with its own rigid conditions which might suit some of these sections but would be very injurious to others. As a basic proposition, the bill seeks to destroy the right of the States to adapt their agencies to their own conditions and turn it over to one central agency at Washington; organized, it may turn out to be against those principles which have worked satisfactorily in every State in the Union. Such an organization provides not a job for a single man or woman, and can not (in the nature of things, even should it be established), work out anything substantial before these unfortunate unemployed shall perish of hunger.

One thing this bill does; it authorizes the appropriation

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upon their inhabitants, who are within the taxing power of Congress as well as that of the States where they reside. Nor does the statute require the States to do or to yield anything. If Congress enacted it with the ulterior purpose of tempting them to yield, that purpose may effectively be frustrated by the simple expedient of not yielding.

"In the last analysis, the complaint of the plaintiff State is brought to the naked contention that Congress has usurped the reserved powers of the several States by the mere enactment of the statute, though nothing has been done and nothing is to be done without their consent."

The instant bill, setting up a national employment system, is in principle the same as the legislation embodied in the maternity act. Instead of reducing maternal and infant mortality and protecting the health of mothers and infants by setting up Federal agencies to function in the various States in cooperation with State agencies, we have here a Federal agency set up to work in the various States in cooperation with the State employment agencies for the purpose of reducing unemployment and for the purpose of stabilizing labor conditions throughout the States. In both cases the States agencies make reports to the Federal bureau. In both cases the Federal agency passes upon the efficiency with which the respective States expend not only their own funds but Federal funds as well, to reduce unemployment and stabilize labor conditions. In both cases no State is to receive moneys out of Federal appropriations unless and until it, of its own accord, matches the Federal appropriation by a State appropriation.

In neither case is there any coercion or invasion of the rights of the States. In either case, the States may take it or leave it. No State is asked to yield anything. There may, however, be an enticing and persuasive bait held out to the States; but that does not involve duress, or force, or compulsion; and any State feeling aggrieved can simply say "no." It can avoid being tempted by simply refusing to join in the scheme and plan.

There is, therefore, nothing unconstitutional about S. 3060. Furthermore, in 1917, the attention of Congress was forcibly called to the need of an adequate Federal employment system by the emergencies of the war then existing. As was pointed out by John B. Andrews, secretary of the American Association for Labor Legislation, at the hearings, at that time employers were stealing workers away from each other and it was quite essential that there be a public employment system, with local officers to carry it out efficiently. Congress appropriated \$250,000 to the Department of Labor to improve the Federal employment service, and the President supplemented this appropriation with \$2,000,000 from the President's emergency fund. The result was the creation of an emergency employment office under Federal direction, with something over 800 employment offices scattered throughout the country. This Federal employment system proved invaluable to the country during the period of the war and subsequently during demobilization.

The Department of Labor in April, 1919, called a conference to which came delegates representing the governors of the various States and the Federal employment service. This conference urged the continuation of the United States employment service as a permanent bureau

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of \$16,000,000 out of a depleted and exhausted Treasury, with Secretary Mellon already crying "Hold! Enough!" with a director general and an assistant director general and offices and books and expenditures that it is estimated will take a fourth of the amount annually.

Secondly. The third section of this bill indicates very clearly that the unemployment to be relieved is not confined to those in industrial occupations but to all those engaged "in gainful occupations—men, women and juniors." The complaint has come to Congress from the unemployed in industrial occupations, and this bill seems to take in all other classes, so that the school-teacher, the clerk, the chemist, the engineer, the lawyer, the doctor, the preacher, who are engaged in "gainful occupations" are to be put under a Federal employment agency to help them in case their professional lives are a failure. And to make this clear, under section 11 (c) the bill declares "in carrying out the provisions of this act the director general is authorized to provide for establishing employment offices for individual occupations"; and in section 11 (a) a provision is made for the establishment of a Federal advisory council for the Federal employment agency.

This is a wheel within a wheel; the accumulation of offices, a bureau within a bureau. And not only that, but this same director general, an officer of the United States Government, section 11 (a), "shall also require the organization of similar State advisory councils composed of equal numbers of employers and employees." Look at this last provision for a moment: Here is a State that has its own employment agency, organized according to the State law, and presumably on conditions that are suitable to that State, and here is a director general of the United States Employment Service, an officer of the United States, who is given the power to require a State agency to put into this system this advisory council which they have failed to provide, presumably because they do not want it. Will any lawyer say that such a provision is valid and constitutional? If such be the case, is the State employment agency a Federal or a State agency? If the Federal officer can control it and direct its policy it is no longer a State agency.

Again under section 4, in order to receive the benefits of the appropriations under this bill, each State "shall, through its legislature, accept the provisions of this act and designate or authorize the creation of a State agency vested with all powers necessary to cooperate with the United States Employment Service under this act."

It will be observed that under the above the regulations and powers of the State agency are not designated by the director general, but only this, that such agencies shall contain those powers which are "necessary to cooperate with the United States Employment Service."

The director general has the final say as to the character of the State agencies that have been organized, and unless he indorses its provisions no money can be received by the State. See what that means. Here is a State that makes an appropriation for an employment agency; they make their plans according to the condition of things in their State; they are suitable to those conditions, and an officer of the Federal Government says when those plans are presented to him, "You must change this or that provision if you want to get any money from me,"

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in the Department of Labor, and drew up detailed recommendations for the establishment of such a permanent Federal employment bureau. The Kenyon-Nolan bills, introduced in Congress in 1919, embodied these recommendations. They were supported by a message to Congress from President Wilson, who, in his wisdom, urged the necessity of legislation to meet the unemployment problem by developing and maintaining the Federal employment agencies.

President Hoover for some time past is on record as having approved a Federal employment system. In 1920 President Wilson called a second industrial conference. Mr. Hoover was vice chairman of that conference. The conference recommended "the enactment of appropriate legislation by the Congress making provision for an employment clearing house under Federal control," cooperating with State bureaus. In 1921 Mr. Hoover was chairman of the President's conference on unemployment. That conference recommended "an adequate permanent system of employment offices," and declared that the existing Federal provision for same was inadequate. In 1923 Mr. Hoover appointed a committee on business cycles and unemployment. That committee recommended a "national system of employment bureaus." In 1924 Mr. Hoover appointed a committee on seasonal operations in the construction industries. That committee called special attention to the report of the President's conference on unemployment relative to a permanent system of unemployment exchanges.

It is interesting to note that more recently the Senate Committee on Education and Labor, after an exhaustive study, recommended that the Federal Government should provide an agency to coordinate State public employment bureaus and assist in the national functioning of the unemployment exchanges.—*Extracts, see 3, p. 30.*

American Federation of Labor

IN considering the bill S. 3060, "To provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes," it is important to ascertain:

First. Whether the employment situation is a question of national importance.

Second. Whether the employment situation, if found to be of national importance, is such as to justify and warrant legislation by Congress to establish an agency having for its purpose the bringing about of stabilized employment and to aid workers in obtaining employment.

Third. Whether or not such legislation is constitutional.

That the employment situation is a matter of national importance is clear when we consider the situation now existing in England and the Continental countries, the vast numbers of the unemployed in those countries, the lengths to which England has been compelled to go in an endeavor to provide for the existing conditions, and the vast amount of money she has been compelled to appropriate and expend in an endeavor to ameliorate the circumstances of the unemployed.

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and the head of the State agency is in effect offered the amount of the Federal appropriation coming to the State if he will change the character of the State agency from what the legislature of the State made it to what the director general, an officer of the United States, requires.

When the change in the State corporation is made as required by the director general the appropriation which goes to the director general from the Federal Government for that State is expended in accordance with a law of Congress, for when the State agent accepts the conditions made by the director general and changes the provisions in the State agency from those which the legislature had put there is not the appropriation made by the State for that State agency spent not according to the law of the State, but according to the law of the United States, made by the director general? Can any lawyer hold that an appropriation by a State can validly be expended only at the dictation of an officer of the United States? Is it not a self-evident fact that appropriations by a State can only be used for the purposes for which the legislature intended them, and if the changes suggested by the director general are made, the money of that State is not spent according to the law of the legislature of that State, but under a law made by the Federal Government. It can not be done legally.

The proponents of this bill seek to justify the change in any of the rules and regulations or law governing the State agency on the ground that they have accepted the bill with all of its provisions in it, and one of them is the right of the director general to change such provisions. This is not sound because if a State legislature passes a law that affects the validity or destroys one of the essential powers of a State that law is not valid. A State is not allowed to commit suicide.

This bill offers no hope to the unemployed. It is not even a gesture in that direction. There is not a job in it except those for the officers appointed under it to consume one-fourth of the \$16,000,000 authorized in it.—*Extracts, see 4, p. 30.*

National Manufacturers Association

THIS bill is invalid and unconstitutional. It represents an unsound policy which will not produce the effect which has been suggested.

Let me say first of all that the great problem of regularizing employment in the United States is receiving not merely the sporadic or temporary, but the continuous attention of the executives of manufacturing operations throughout the United States. Our committees are continually engaged in the study of these great problems, in the accumulation and exchange of information between their members.

Something in which we all agree is the incidence of a depression upon our social life and the necessity for intelligent consideration of the remedies that will remove that condition. That is our common anxiety. It is our common obligation. It is our common necessity. And yet how does this bill undertake to remedy that condition?

I want to lay down four propositions with regard to it. First, that it is an unauthorized use of the power of ap-

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It must be admitted that the employment situation is one of national importance. Conditions of today have materially changed from those of years ago, and the employee can no longer limit himself to any one city, county or state in seeking work for his livelihood, but must, if he is to secure employment, look, from time to time, to the country as a whole, and ascertain in what particular part of the country he can find employment.

The individual States have not undertaken to collaborate with their sister States and with the Federal Government to such an extent as to bring about a proper coordination for obtaining the best results from a national aspect. To accomplish this end there must be some center, that is, there must be some clearing house, and the best and only way to secure this is by Federal legislation establishing a Federal agency which shall cooperate with and aid the States in the endeavor to solve the all-important question of unemployment, so far as the individual States are willing to cooperate through their own legislatures.

The importance of the question of employment is admitted in the brief of the National Association of Manufacturers filed in opposition to the Senate bill 3060. This brief states that the association and its members are "vitaly interested in employment problems, and, individually and in cooperation, are continually engaged in the study and exchange of information and experience for the purpose of securing a better regularization of employment."

The brief, therefore, concedes that the study of employment problems and the exchange of information and experience upon these problems are of importance. Can there be a more effective way of studying these problems and disseminating information and experience upon the same than by the United States Employment Service provided for in Senate bill 3060?

The above mentioned brief of the National Manufacturers' Association contends, that the proposed act is unconstitutional. To support this contention the cases of *Brazee v. Michigan* (241 U. S. 340); *Adams v. Tanner* (244 U. S. 594); *Ribnik v. McBride* (277 U. S. 354); *Forthingham v. Mellon*, and *Massachusetts v. Mellon* (262 U. S. 447); *Chicago v. Tranbarger* (238 U. S. 77); and *Bailey v. Drexel Furniture Co.* (259 U. S. 20), are cited.

In the case of *Brazee v. Michigan*, *Brazee* procured a license to conduct an employment agency in Detroit under act 301, Public Acts of Michigan, 1913, and was thereafter convicted upon a charge of violating its provisions by sending one seeking employment to an employer who had not applied for help. *Brazee* claimed the Michigan statute was invalid because it conflicted with both the State and Federal Constitutions.

The Supreme Court of Michigan sustained the Michigan statute and the Supreme Court of the United States held that a State may require licenses for employment agencies and prescribe reasonable regulation in respect to them, to be enforced according to the legal discretion of a commissioner. The judgment of the lower court was affirmed and the constitutionality of the act with respect to the sections in question was upheld. The court did state that the provisions of the act in respect of fees were "plainly mischievous." The act in question in no way attempts to regulate private employment agencies nor to prescribe fees that the agency may charge.

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propriation to control and regulate the internal police policy of the individual States with respect to the establishment and operation of public and, indirectly, of private employment agencies.

Second, the bill confers upon the Federal bureau and an executive officer unprecedented authority to control the use of appropriation in order to substantially establish and determine the policy of the States with respect to the operation of their employment agencies and the placement and movement of labor through standards and regulations exclusively prescribed by such Federal official and bureau.

Third, the policy proposed under the guise of cooperation asserts the right and intention to coerce the individual States into the acceptance of Federal policies as to the operation of their employment agencies by establishing such agencies within the States, whether or not they are desired. Furthermore, such agencies are authorized to be established and maintained in competition and conflict with existing State agencies whenever such States do not agree to accept and operate under the prescribed Federal policy.

And fourth, the policy of this bill is in plain contradiction with the unanimous recommendation of the President's Conference on Employment, September 26 to October 13, 1921, the Committee on Business Cycles and Employment, the Committee on Business Cycles and Employment being a subcommittee of said conference, and the recommendation of the Senate Committee on Education and Labor investigating the causes and remedies for unemployment, report No. 2072, Seventieth Congress, second session, February 25, 1929.

If this were merely a proposal to provide for the appropriation and support of a Federal employment system which undertook to secure the cooperation of employment agencies operating within the State, public in their nature, to coordinate these in order to secure more accurate, more timely and more relevant information with respect to the State of employment in the United States, we should support and not criticize the existing proposal. But that is not its purpose, is not to be the effect of its operation. It goes far beyond that. Indeed, I do not hesitate to say that it goes further than any legislative proposal that has received the serious attention of Congress in seducing and ultimately undertaking to coerce the States into an adoption of a Federal policy and the acceptance of the control and authority of a Federal official in the regulation of a matter of purely internal police.

The regulation of employment agencies, whether public or private, is a matter for the internal police of the separate States. I think nobody will question that fact, that the regulation of employment agencies within the States is not to be found as a Federal function under any authority of the existing constitution.

Now, when Senator Wagner was discussing the constitutionality of the flexible tariff in the Senate, and he has put this matter so well that I could not improve it, he said:

"The Supreme Court is not the only guardian of the Constitution. Each one of us is under a coequal duty with the members of the bench to defend and maintain the Constitution and vote only in favor of legislation that

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This case is in fact an authority to the effort that Congress has the power to legislate on the question.

Another case cited in the brief of the association is *Ribnik v. McBride* (277 U. S. 354). The State of New Jersey passed an act to regulate employment agencies, which act required a license and also required that the applicant file with the commissioner of labor a schedule of fees. A schedule of proposed fees was filed and the commissioner refused to grant a license upon the sole ground that the fees set out in the schedule were excessive. The question of the constitutionality of the act was involved. The Supreme Court of the United States, reversing the Court of Errors and Appeals of New Jersey, held that the provision regulating fees of private employment agencies was unconstitutional, ruling that the business of an employment agency is not affected with a public interest so as to enable the State to fix the charges to be made for the service rendered.

Mr. Justice Sanford concurred with the majority on the ground that he could not distinguish an earlier decision (273 U. S. 418); and Mr. Justice Stone delivered a vigorous dissenting opinion in which Mr. Justice Holmes and Mr. Justice Brandeis joined.

The present bill contains no similar provision, and there is not a word in the decision of the Supreme Court which would in any way indicate that Congress did not have the power to establish a Federal employment agency.

Adams v. Tanner (244 U. S. 594), is also cited in the brief of the association as an authority in support of its contention that the proposed act is unconstitutional. Appellants conducted in Spokane well established employment agencies for securing employment for patrons who paid fees therefor. An act by the State of Washington was passed prohibiting charging employees fees for such service. Appellants filed a bill in equity in the United States district court to restrain the enforcement of the act alleging it to be unconstitutional. The Supreme Court, on appeal, held the act violated the fourteenth amendment. The sole ground upon which the court based its conclusion was that the State did not have the power to prohibit private employment agencies from charging an employee a fee.

This question is not involved in the proposed legislation, and the case does not in any way suggest that such legislation as is now under consideration would be unconstitutional.

In the last mentioned case Mr. Justice Brandeis delivered a very strong and illuminating dissenting opinion in which Mr. Justice Holmes and Mr. Justice Clarke concurred. Mr. Justice McKenna also dissented.

Mr. Justice Brandeis reviewed the evils of private employment bureaus, the necessity of aid in solving the employment question by the Federal Government and the Federal legislation having for its purpose the solution of the larger problems of unemployment. He referred to the immigration act of February 20, 1907 (34 Stat. 898) which created within the Bureau of Immigration and Naturalization a division of information charged with the duty of promoting "a beneficial distribution of aliens." The services rendered by this division included, among others, some commonly performed by employment agencies; it undertook to place aliens in positions of employment but its operations were national in scope. He

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conforms with the requirements of that instrument. There are innumerable situations where Congress in the last resort is the determinant of constitutionality and where from its decisions there is no appeal to any court. The standard of constitutionality which each one of us must apply is somewhat different from the standard which the Supreme Court employs in passing on legislation. When the constitutionality of a bill is contested in the courts, every doubt is resolved in favor of its constitutionality; every fact which is assumed by Congress to be a fact is not disputed by the court unless the assumption flies violently in the face of reason, and when we in this body pass upon a bill we can not give ourselves the benefit of these doubts. We ought not knowingly to write into a bill assumptions of fact which we know are not true. *We ought not to take advantage of the Supreme Court's procedure by framing legislation which in form only is constitutional but which in substance is in deadly conflict with the requirements of our organic law.*"

And apropos of what has been said with respect to appropriations made by Congress in the past in aid of matters wholly within the States, but which I will show are easily distinguishable from the proposals of this bill, the distinguished Senator said the time was ripe to reject the question and inquired: "Have we not gone far enough, indeed too far, in the direction of centralization?"

This bill authorizes an appropriation of \$4,000,000 per annum for four years, a total of \$16,000,000. Seventy-five per cent of this appropriation, or \$3,000,000 per year, is to be apportioned among the several States in the proportion which their population bears to that of the United States. That sum is to be employed in the establishment of public employment offices in the States in accordance with the following plan: Wherever the State, through its legislature, authorizes an existing employment agency or establishes one to cooperate with the Federal agency, the director general apportions up to his allotment an amount equal to that appropriated by the State for the support of such State agency, not to exceed, of course, 5 per cent of the 50 per cent of the amount necessary to operate the agency. But—and this is the vital and controlling feature—each State must submit to and receive the approval of the director general of employment for its plan of operation before the State may receive Federal aid; and while receiving it the State agency must continually report operations in such form as the director general prescribes. He alone determines whether the State offices are, to quote the bill, "conducted in accordance with the rules and regulations and the standards of efficiency prescribed by the director general." So at this point it is proposed that the Federal appropriation shall be given to the State for the operation of its local exchanges on a 50-50 basis, or for the establishment of new exchanges where none existed before, in return for which the State agrees, through its legislature, that it will operate the public agencies in accordance with the rules and regulations which the director general prescribes. Whenever such agencies do not conform to the Federal director's regulations, or when, in the opinion of the director general, the State agency does not properly expend itself either the Federal aid or the moneys appropriated out of its own State treasury, he may revoke the certificate and withdraw the aid, subject to an appeal to the Secretary of Labor.

The plan of control does not stop, however, with

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also referred to the act of March 4, 1913, creating the Department of Labor, which act resulted in the transfer of the Bureau of Immigration, including the division of information, to that department (37 Stat. 736).

Mr. Justice Brandeis stated, page 607: "By this transfer the scope of the division's work was enlarged to correspond with the broad powers of the Labor Department. These were declared by Congress to be 'to foster, promote and develop the welfare of the wage earners of the United States, to improve their working conditions and to advance their opportunities for profitable employment.'"

The underlying principle of the sections of the above mentioned acts is the same as the underlying principle of the proposed legislation, the only difference being that the proposed legislation affords a greater opportunity for service by the Federal Government in cooperation with the States.

The question of the constitutionality of legislation along the lines of the pending bill was not involved in the case; but the dissenting opinion of Mr. Justice Brandeis apparently anticipated further progress in legislation of this type and clearly and emphatically shows that such legislation is constitutional.

In the case of *Chicago & A. R. Co. v. Tranbarger* (238 U. S. 77), cited in the brief of the association, the Supreme Court has under consideration a statute of Missouri requiring railroads to open drains across and through its right of way and road bed so as to form proper drainage. The property owner sued the railroad company for damages growing out of its failure to comply with this statute. The railroad defended upon the ground that the law was *ex post facto* and also a violation of the provisions of the fourteenth amendment. The Supreme Court of the United States affirmed the Supreme Court of Missouri, holding the act to be valid and constitutional, stating the answer to the claim that the law was *ex post facto* to be that the law is not retroactive but only becomes effective within three months after its passage. As to the constitutional question, the Supreme Court held the State had the right under its police power to enact such legislation.

The question before the court in that case is totally different from any of the questions presented in the proposed legislation and certainly is not an authority to support the unconstitutionality of the pending bill.

Not a single case cited in the brief support its contention whereas several of the cases, as above pointed out, and especially the *Forthingham* case, *infra*, show that the proposed legislation is constitutional.

Commonwealth of Massachusetts v. Mellon and Forthingham v. Mellon (262 U. S. 447), is also cited in the brief to support the contention that the proposed act is unconstitutional. The Supreme Court in this case had under consideration the maternity act (42 Stat. 224). The provisions of the maternity act, in so far as concerns the appropriation of money by Congress to be allocated to the States upon the acceptance of the benefits and compliance with the requirements by the States, are analogous with the provisions of the pending bill. It was contended, in that case, that the act was unconstitutional. The Supreme Court dismissed the appeal because of lack of jurisdiction and not upon the merits of the case. There are certain statements of the court which clearly indicate

financial persuasion. It goes much further. There is a balance of \$1,000,000 per year within the proposed appropriation, and this is available for two major purposes to be expended: First, to establish a system of public employment offices subject to Federal control within the States which have not established such offices; and second, to establish and maintain such offices in States which already possess a system of public employment offices but which have not, through their legislatures, accepted Federal aid upon the terms upon which it is offered.

In such a condition the bill now provides that the director general may treat with the governor of the State, pending an agreement to secure the establishment of a Federal bureau in that State. This is where the legislature had not acted, but pending agreement with the governor—because the governor may not agree to accept the condition. It is a somewhat startling proposition to turn from the legislature, which alone is charged with the declaration of the internal policy of the State with respect to the regulation of employment agencies.

I am not going to take the time to present a great series of incontestable cases that run to the effect that this comes under the operation of the tenth amendment, among the powers prohibited to the Federal Government and reserved to the States and the people. We have had numerous cases of that kind, and one's case of *Chicago v. Kramberger* (238 U. S. 77). I quote that case for only one reason: That if the States desired to exchange their authority with the Federal Government, the Federal Government has no right whatever to take it, and the State has no right whatever to give it. For, said the Supreme Court of the United States in that case, "this power"—that is, the police power—"can neither be abrogated nor bargained away. It is inalienable, even by express grant."

I know it may be said that the police power of the States may be exchanged for Federal appropriations, as indicated in the maternity act, but I wish to direct attention to the fact that upon the express recommendation of the President of the United States the policy expressed in the maternity act was properly abandoned by Congress, therefore it constitutes no precedent for the continuation of this policy.

The next objection is that the policy of this bill is in plain contradiction with the unanimous recommendations of the President's Conference on Unemployment, the Committee on Business Cycles and Unemployment, being a subcommittee of the conference, and the recommendations of the Senate Committee on Education and Labor investigating the causes and remedies for unemployment—and this goes to the very heart of the practical question that is here presented—first, the sources of employment are private, and only to a very small extent public. The National Government itself is a large employer, and it becomes the stimulator of employment, and undertakes to make a contribution to the regularization of employment in periods of depression by timing Government construction to synchronize with that condition. To the extent that that may be actually brought about it is an excellent policy.

But the problem of employment is local largely and the remedy ought to be administered close to the disease. Referring to the somewhat complex problem of how to keep a number of longshoremen at work, note what Seattle did.

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that the court, however, was of the opinion that the act was constitutional and which also clearly answer some of the contentions made in the brief of the association as to the proposed legislation. The court stated, page 480:

"Probably it would be sufficient to point out that the powers of the State are not invaded, since the statute imposes no obligation, but simply extends an option which the State is free to accept or reject."

No more complete and convincing answer can be made to the contentions of Senator Bingham and to the brief of the National Manufacturers Association than the language of Mr. Justice Sutherland delivering the unanimous opinion of the Supreme Court. (See Mr. Dyer's article in this issue for quotation.)

The brief of the association also cites the case of *Bailey v. Drexel Furniture Co.* (259 U. S. 20), in which case the Supreme Court has under consideration the child labor tax law of February 24, 1919 (40 Stat. 1057-1138), which imposed a tax of 10 per cent of the net profits of the year upon an employer who knowingly employed any child within the age limits specified in the act. The Supreme Court held that the act was not a valid exercise by Congress of its power of taxation under Article I section 8 of the Constitution, but was an unconstitutional regulation by the use of the so-called tax as penalty for the employment of child labor in the States and that this was in violation of the tenth amendment to the Constitution.

The act before the court in that case and the proposed legislation (Senate bill 3060) are totally different; and the decision of the court in that case does not suggest in any way, whatsoever, that legislation, as provided for in the proposed act, would be invalid. In that case the validity of the act was defended upon the ground that it was a mere excise tax levied by Congress under its power of taxation. The court held that it was not a taxing act but was in effect a prohibition against employing children below a certain age and the imposition of a penalty for violation of said prohibition.

Finally it is confidently submitted that the pending bill is not only constitutional, but that its enactment is a political and sociological necessity.—*Extracts, see 5, p. 30.*

▼ Frances Perkins

I AM one of those unfortunate public officials who were obliged to face distressed men and women out of work with some explanation of why it was they could not get work, and what the Government was contemplating for their relief. Under those circumstances I have not found they derive much comfort out of the theory of the rights of sovereign States, nor the intricacies of the economic doctrine of *laissez faire*. Many of us in the State of New York have held out the hope that the Federal Government and the State government would find some of the gross solutions for the problems facing them as individuals.

There are a number of economic forces which are contributing to the cause of present unemployment; and a number of problems which make it difficult to find adequate means for the prevention or the relief of unemployment.

The three bills which Senator Wagner has introduced

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Seattle solved a local problem in local terms. Every greater problem of employment is largely local.

It does not answer the question to say that you are going to provide for the circulation of labor. Are they going to provide railroad transportation to move workers from place to place? That might result in very serious consequences to particular States. But more than that, we can only move them to a job after the job has been found. Employment agencies can not make jobs; they can only undertake to connect men with the jobs, and so far as any coordination and cooperation between the National Government and the States is concerned, there must be voluntary action, not coercion, not compulsion. The Federal Government should never under any circumstances enter into the work of local placement.

I want to show the serious defects in the plan that is presented from the standpoint of our traditional system of government; that it undertakes to set up, not a voluntary but a coercive method of forcing the States into the adoption of a Federal policy.

Apart from this question of law, apart from the serious objections to this tremendous endeavor to carry the Federal Government further into this policy I suggest that that is not the best method of approaching this subject; that if this subject is to receive the support of all the great sources of private employment in the United States, it must be presented to them with all the local agencies cooperating under local government and local policy and State authority, in order to enlist that assistance and cooperation. No one remotely in Washington is capable of directing and regulating internal and local affairs of States with respect to a problem as delicate and as far-reaching as this, and you have only to touch the outskirts of it to realize how many complicated questions are presented.

Voluntary local action coordinated and cooperating under the leadership of the Federal Government of the United States, as it has been doing, can make a great contribution to the solution of this problem, but the ultimate unit of responsibility is local, and the ultimate unit for the responsibility of all our social problems should be kept local. The more you ask citizens to look to Congress and to Washington to settle their own local difficulties, the less responsible you make them and the more difficult become the great social problems that require individual initiative, individual intelligence, and individual responsibility for their guidance.—*Extracts, see 6, p. 30.*

▼ Kenneth Coolbaugh

SINCE the fall of 1927 unemployment and a shortage of skilled man power in the metal trade have been curtailing our buying power and our production.

A large percentage of the idle would be working if they knew of jobs now available elsewhere and could get to them. Much of the shortage would be absorbed if business needing labor knew where to look for it.

"Very well, bring buyer and seller together through a system of employment exchanges. That's simple," says the layman.

Because that is being done with tolerable success on a small scale, thousands believe it can be done just as suc-

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into the Senate, taken together seem to me to be a minimum program, the foundation so to speak, for a suitable program of Government assistance toward the solution of the problem of prevention and relief of unemployment.

There are many suggestions which can be made or have been made by economists and expert managers of industry for the prevention of unemployment in certain, particular industries, but not on a nation-wide basis. In the treatment of the total problem we need the cooperation of the Government and industrial leadership to make any adequate progress. We have today, as has been said often, the combination of three types of nonemployment. We have first the technological unemployment, which is caused by the displacement of men through the introduction of machinery.

Then we have the seasonal unemployment, which has become heavy, with the high peak of unemployment in an industry at one time, and a period of low depression at another. It is constant fluctuation in employment—we should say the "habitual unemployment" in a given community, rather than the "normal" unemployment—that can be corrected.

This unemployment due to fluctuations can be taken care of largely by the individual trades and industries themselves; and there is now a determined demand, or a determined effort on the part of the more scientifically managed industries of the United States to do what they call "ironing out the curves" in the production line, and to get the industry on an even keel.

The industrialist himself will probably manage to iron out the season curves in production and get rid of seasonal unemployment in industries by diversifying production and by securing advance orders and paying bonuses on advance orders.

These things will go a long way to getting rid of these seasonal unemployment periods; and in that way the Government can give a great deal of help to these people by information collected in a national way.

As to the problem of technological unemployment the industries can do much toward mitigating technological unemployment by timing the introduction of new devices and machinery which save labor, with the object of seeing that they are introduced at the time when they are expanding.

Many employers are aware of that fact and they have introduced their labor-saving machinery and devices in such a way as to take up the natural falling off in the number of employees, who leave their employment.

In this attempt the Government should assist industry by supplying industry with information; with work that can be brought into play at the proper times to take up the slack in employment, the slack in technological employment. And, with the assistance which may come to an industry, where the worker is displaced through unemployment in that particular industry, of finding other and suitable forms of work.

On the problem of cyclical unemployment, no one has dared to say that we will find a preventive of these returning times of business, and therefore of industrial depression. They are frequently due to world economic conditions, and are not within the control of the local Government, or a set of industrialists. Nevertheless, by taking thought of the situation, and by cooperation between the Government and the industrialists, it would seem we

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cessfully on a national scale, through a clearing house at Washington.

This program interests business for two reasons. It entails increased expenditures of public funds and erects machinery that might be used for purposes even more costly to the taxpayer. Once a government underwrites the policy of registering with actuarial exactitude its unemployed, those so registered will in the end look to that government either to show them jobs or an alternative—unemployment doles.

What then of the need for an increase in the number of public employment offices and for a central exchange at Washington? With what success do public employment offices now existing find jobs for men and men for jobs? What are their inherent limitations, that, shifted to a larger stage, would be even more patent and conclusive?

There are today 209 public employment offices in this country. The majority post-date the war. Each year sees more of them, all underwritten by public funds—Federal, State or municipal. Each year, too, sees more men and women placed by them into gainful employment and a broader patronage of them by commerce and industry.

Very well, why not double, triple their number?

Because we cannot appreciably change the employment conditions of any community or that of the nation merely by increasing the number of employment offices.

Only a change in the number or character of industries from which jobs spring can materially change an employment situation. Again, no matter how able its staff, a public employment office can do only a minor percentage of its community job placement work. The reasons are fundamental.

Help-wanted columns, for instance, will long continue as the most convenient meeting place for jobs and the jobless. The number of private or so-called fee-charging offices, too, is constantly increasing. They would not multiply unless an increasing patronage warranted.

Of similar hue are the commissary companies that combine the business of recruiting labor with that of feeding and housing it on hydroelectric, highway and myriad construction operations. Each year brings more of them to a service that public agencies cannot approximate unless commonwealths be authorized by law to engage in similar activities—with public funds.

How then can a governmental national clearing house reflect more than a narrow sector of the entire country's employment picture?

Furthermore, it is a near-truism in employment circles that applications for employment are worth little more than the paper they are written on. Glittering exceptions to the contrary, the great majority of employable men who file written applications for work today will, a week or two hence, have found their niche.

Within the past month my office associates have sent letters to 8 lead burners, 21 electricians, 43 electric and acetylene welders, 15 stenographers, 9 draftsmen, 12 plumbers and steamfitters, 18 chauffeurs, and 62 others of miscellaneous vocations, asking them to call regarding specific jobs that have materialized since they filed their applications with us. Total 188.

How many responded in person or by letter? Thirty-three. Less than 20 per cent—an average net that is

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could shorten the length of that period of depression, and decrease the depth of that depression, so that we need not go so deep into it without some artificial stimulation, nor so long endured.

This now brings us to the point of considering what value these three bills introduced by Senator Wagner have for carrying out the Government's part of the program.

In the first place we have the bill for collecting statistical information. That is invaluable, as it gives everyone studying the problem the necessary knowledge upon which to proceed. There appears to be no competent objection to that particular bill.

The bill for creating an appropriate reserve for public works is vital. At the exact moment when private industrial employment begins to falter, whether due to the recession of technological unemployment or other cause, the public works program can be put into play just as soon as the collectors of the statistics begin to see there is a falling off of industry in this or in that locality. They can be introduced, a little at a time, the construction on these public works, to take up the unemployed persons thrown out of employment by these periods of seasonal or technological unemployment. And when there is a cyclical depression of the world they can shorten the depth of that period of depression as well as the duration of it through this channel of aid.

Let us consider the three million men (this estimate is based on trade-union figures, and does not give a complete picture; I think it is nearer 5,000,000) that are out of employment. But, if out of 3,000,000 men, say we can put 1,000,000 of them to work on public works for say 15 days, eight hours a day, and at the regular rate of wages, five days a week. Right away you bring into play a "spenders brigade"—this spenders brigade of 1,000,000 people, would demand products, and in a moment, you would have a demand for 1,000,000 pairs of shoes, and probably 5,000,000 pairs of socks, and 3,000,000 shirts, and a million suits of clothes, to say nothing of the clothing and bedding and other things which their families would require.

And can you imagine what would happen to the clothing industry when orders for a million suits were thrown to them, or the knitting industry when orders for 5,000,000 pairs of socks came to them, and so on down the line of the things that would be consumed by this spenders brigade? Incidentally the mills would begin to work when these people started out to buy stockings and they will take their time to buy other necessities for themselves, and it is easy to see that in a short time the depression is over.

After all, the whole thing is a circle and starting motion at one point, it is transmitted to the adjacent points, and then the whole circle gets into motion.

Now through the activities of the Public Employment Bureau, you would get the knowledge of where the opportunities for employment exist. It is the duty of those in the public service to analyze the industrial situation at all times of any community, so as to know exactly the state industries are in; and if a new machine throws glassblowers out of work, he will know other economical trades which are requiring workmen similarly skilled and in-

seldom topped by fee-charging agencies or by employment departments of industrial firms. Of these 33 only seven were finally placed in the jobs we outlined to them.

What becomes of the 80 per cent? After filing applications, they find positions; move to other stamping grounds; illness overtakes them; traveling costs or a wife deter them; or from time to time, the job-bearing letters come back to their senders marked, "Not known at," or "No such address."

Conceive then a national clearing house striving to transfer 10 or 100 unemployed down-east mechanics to the automobile belt or an equal number of west-coast shipbuilders to the Great Lakes. The time factor of itself is a sufficient barrier to a fit performance of the task. The average office or unskilled manual opening today in our thickly settled communities is short-lived. In the cities 24 hours is a goodly span for its life.

Before help-wanted pages or employment bureaus can direct the right type of applicants to a plan or office it's an even break that the firm will fill the positions from its quota of daily job seekers. With the general exception of building trades and textiles the skilled today are the hunted; the tradeless, ever the great majority of the unemployed, are the job hunters. The former, because of mergers and relocating of industries, are at times temporarily marooned but they soon find their groove with little recourse to outside aid. But the tradeless, needing direction more, are less able to profit by it because their number usually far exceeds the jobs available.

But more formidable looms the perennial query that camps in every labor mart, who will pay the transportation?

For example, the early summer of 1929 saw a surplus of unskilled labor in various sections of the eastern seaboard and a shortage in Detroit. A practical problem such as would confront any national clearing house was how to put the idle to work and restore the buying power of thousands of families?

My own office, one of many public employment bureaus, could have sent hundreds. Yet it sent none. The railroad fare deterred the idle from digging down in their own pockets without assurance that definite jobs would be theirs in Detroit; and quite properly, no funds from any public source were available to finance the expedition. We could only tell applicants that the jobs existed. The rest was up to principals.

That is the very core of the whole proposition of moving labor through a central clearing house. Labor is only as mobile as the money that moves it. In this particular instance, Detroit employers did what employers so confronted have to do. They themselves advanced the transportation.

The only other method that will accomplish a liaison in labor on a wholesale basis is such as is practiced in Canada. Whether a similar arrangement can or should be inaugurated here is a matter the American industrialist might consider. The Dominion's railways give workers rate reductions up to 30 per cent. R. A. Rigg, director of Canada's Employment Service at Ottawa, tells me. The reduced fare is allowed only on the going trip and tickets sold only to persons holding certificates which his department issues after establishing the applicants' capabilities and making sure that jobs will be theirs at destination.

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telligent where there is an expansion program going on at the same time.

I think there should be a beginning, trade beginning, so that men and boys will have more than one line of industry in which they are skilled, so they can pass from one job to another. More and more the employers are recognizing that they must give their men two skills and keep them up. The Government will be aware of and alert too to the opportunities which may come to the man who had been a first-class mechanic and who was laid off because the trade went into abeyance. A man who is a good mechanic in one trade can be put into other trades where at any given time there is expansion going on; and with the wage-earner market so enlarged there will be developed the various services and the luxury trades to give employment to these people.

As to the work of the Public Employment Service, we have to-day a public employment service with Federal control; and I, who administer one of these offices in the State of New York, under Federal control, have never felt there was the least bit of interference with State rights on the part of the Federal director. There has been harmony and unanimity and cooperation.

I was appointed industrial commissioner by the Governor of the State of New York, and not by the civil service. Mr. Francis I. Jones (Director General, U. S. Employment Service) appointed me when I became director. He appointed me Federal director for the State of New York. That is what he does in every State appoints the local officer as the Federal director. All of the subordinate positions are in the civil service, except the head of the department. Most of the subordinates are paid by the State of New York; two or three are paid by the Federal Government. These are under the New York State civil service law, and they take their examination and are recognized and given the designation by the Federal director, of special agent, or superintendent or assistant superintendent; and in that way they have the franking privilege which we get through the Federal director. They are employed by and paid by the Federal director, but they dove-tail their work in with the other people of the department. That is a device by which we get a certain amount of Federal aid for the Federal employment system. This system has been of invaluable aid to the people of the State. We have 11 offices in the State and we have built up a cooperative system with the help of the municipal and private employment offices of a charitable nature, which were no-fee taking offices.

During the crises we have transferred some of the people in the Department of Labor to these offices temporarily, and this is to show what can be done by cooperation between the State and the city and the private enterprises.

We have been able to step-up the rate of placement. Our average placement was 3,000 per month until the 1st of February, when it began to go up. In the month of May we placed 10,000, and all by setting-up a clearing house and collaborating on the jobs daily. Every afternoon by 3 o'clock, through telephone communication and by mail, we clear up all our orders for jobs over the State.

So if there are novelty workers, who make pocket-books and things of that kind, needed in the city of Rochester,

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In 1928 more than 43,000 artisans and unskilled workers took advantage of this reduction. In addition to these, every year, 1929 excepted, the railways on their own initiative effect a movement of more than 30,000 harvest workers from the eastern to the prairie provinces.

Whether or not this method can readily be applied here is at least debatable. So, too, may be the responsibility of passing the necessary regulation under our interstate commerce act. Whatever one's views on government subsidies, the procedure seems refreshingly free of the taint of class legislation because employers as well as workers and the public in general would profit by it.

Until this problem of transportation cost is adequately plumbed, job brokers will continue to be merely brokers. The greater the distance that separates their principals the more tedious, costly and futile will be their efforts to bring men and jobs together.

Assuming the transportation riddle solved, to what extent would one state cooperate in transferring its workers to another? Only so far as its public officials felt they could cooperate and still hold the sanction of the community that pays them. In fact, a number of States have laws restricting the recruiting of labor by out-of-state interests.

The only appreciable service that a national clearing house could render at present is to release accurate and timely information, not essentially about specific jobs, but rather about employment and industrial conditions—and to release it on the dot.

Each year brings me a striking example, a reliable and up-to-the-day series of bulletins that in six months corrals 100,000 men from every state.

They come from the director of the farm labor division of the United States Employment Service at Kansas City and tell when and where wheat cutting starts, of its northward sweep as the season advances, of threshing, corn husking, potato and apple picking; of the prevailing wages, living accommodations and where and when men may apply. Public employment offices in Louisiana, Texas, Oklahoma, Iowa, Kansas, the Dakotas, Minnesota, Washington, Oregon, and Colorado, working through the hub at Kansas City, direct to jobs thousands who otherwise would go through endless wanderings.

A man eager for harvest work can walk into any public employment office or any post office and see for himself in what zone his service will be needed. But it's up to him to get there.

On a similar stage such offices can perform, and do, a similar service in bringing about a contact between workers angling for a permanent niche and employers who need them. A worker, for instance, in nearly any craft can enter a public employment exchange in Pennsylvania, and if he wishes to follow his trade in any one of the commonwealth's largest industrial communities, can gauge his chances of getting what he wants where he wants it. At stated periods each of the State's 14 district offices forwards to the capital at Harrisburg a summary of the employment supply and demand in substantially all of the trades and vocations pursued in its community. Each report is then multigraphed and a complete copy of all of them mailed to every office.

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Action on Public Measures

By Senate and House, December 1, to December 20, 1930

Aliens, Deportation of

MEASURE—S. Res. 355.

To Provide for a request to the Secretary of Labor to furnish the Senate information as to the number of aliens now in the U. S., who entered unlawfully; are subject to deportation and what is necessary to effect their deportation.

Introduced by: Sen. Hayden, Ariz., R.

ACTION ON FLOOR—

Senate: Passed Dec. 8, 1930.

SPEECHES—

Senate: Dec. 8, 1930.

Introduced by: Sen. Swanson, Va., D., Rep. Darrow, Pa., R.

Referred to: Sen. Naval Affairs. H. Naval Affairs.

ACTION ON FLOOR—

Senate: Reported Dec. 8.

House: Reported June 28, 1930.

SPEECHES—

Senate: Dec. 8.

Chain Stores (Fair Trade Bill)

MEASURE—H. R. 11.

To Provide for the fixing by manufacturers of resale prices of commodities in interstate commerce.

Introduced by: Rep. Kelly, Pa., R.

Referred to: H. Com. on Int. and For. Comm.

ACTION ON FLOOR—

House: H. R. 11 reported Jan. 27, 1920. H. Res. 245 reported from Com. on Rules June 11, 1930, to make H. R. 11 unfinished business.

SPEECHES—

House: Dec. 8, Rep. Snell, N. Y., R., Chairman of the Rules Committee, announced that H. Res. 245 would be called up following disposition of the copyright bill after the Christmas holidays.

Changing Sessions of Congress,

Inauguration Date, etc.

MEASURE—S. J. Res. 3. H. J. Res. 292 (similar).

To Provide for changing the date of the meeting of Congress and the inauguration of the President and Vice-President.

Introduced by: Senator Norris, Neb., R. Rep. Gifford, Mass., R. Referred to: Sen. Jud. H. Elec. of Pres., V. Pres. and Repa. in Cong.

ACTION ON FLOOR—

Senate: Reported Apr. 22, 1929. Passed June 7, 1929.

House: H. J. Res. 292 substituted for S. J. Res. 3 and reported to House, Apr. 8, 1930.

SPEECHES—

House: Dec. 3, 1930.

Copyright Bill

MEASURE—H. R. 12549.

To Provide for amendments to the existing copyright laws and for authorities for the U. S. to join the International Copyright Union.

Introduced by: Rep. Vestal, Ind., R.

Referred to: H. Com. on Patents.

ACTION ON FLOOR—

House: H. R. 12549 reported May 28, 1930. Recommended June 12. Reported June 13. Recommended June 23. Reported June 24. H. Res. 243, providing for a special rule making H. R. 12549 unfinished business passed June 12.

SPEECHES—

House: Dec. 18, Rep. Snell, N. Y., R., Chairman Com. on Rules, announced that H. R. 12549, still the unfinished business, would be called up so as emergency legislation had been disposed of after the Christmas recess.

Appropriations, Annual

MEASURES—H. R. 14246; H. R. 15675; H. R. 15256.

To Provide Appropriation for Treasury and Postoffice; Interior Department; Agricultural Department; for fiscal year, 1932.

Introduced by: House Committee on Appropriations.

Referred to: Senate Committee on Appropriations.

ACTION ON FLOOR—

Senate: H. R. 14246 reported with amendments, Dec. 10. Passed Dec. 15. Sent to Conference Dec. 15. H. R. 14675 reported with amendments, Dec. 16.

House: H. R. 14246 reported Dec. 3, 1930. Passed Dec. 5. H. R. 14675, reported Dec. 8; passed Dec. 12. H. R. 15265, reported Dec. 16; passed Dec. 19.

SPEECHES—

Senate: On H. R. 14246 Dec. 15. On H. R. 14675, Dec. 18, 19. House: On H. R. 14246, Dec. 3, 4, 5. On H. R. 14675, Dec. 8, 9, 11, 12. On H. R. 15256, Dec. 16, 19, 20. In a formal statement to the House on Dec. 20, Mr. Wood, Ind., R., chairman of the House Committee on Appropriations gave the following account of progress made to date on the appropriation bills:

"It has been suggested that it might be opportune, and certainly in order, to call the attention of the House to what we have done since we convened in the way of appropriations. I do not believe that in the history of this Congress has there ever been a better showing made or more work accomplished in such a short period of time as that which has been accomplished since we convened.

"The Treasury and Post Office Departments bill, which passed the House, passed the Senate, and is now in conference, carries \$1,083,000,000. The Interior Department bill, which passed this House and is now being considered in the Senate, carries \$68,500,000. The Agricultural appropriation bill, which passed the House yesterday, carries \$213,000,000. This House has passed a bill carrying \$150,000,000 for addition to the revolving fund of the Federal Farm Board. The bill which passed this House known as the emergency construction bill, to relieve the unemployment situation, as it passed this House carried \$110,000,000, to which \$6,000,000 has been added in the Senate. So that in all, from the beginning of this session down to this hour, we have passed appropriation bills amounting, in round numbers to \$1,630,000,000. In addition to this, the drought relief bill authorizes \$45,000,000 to be appropriated."

Battleships, Modernization of

MEASURE—S. 4750. H. R. 12964.

To Provide for the modernization of the Naval battleships, New Mexico, Mississippi and Idaho. Carries authorization for an appropriation of \$30,000,000.

Cotton Exchange Investigation

MEASURE—S. J. Res. 195.

To Provide for an investigation of speculation in cotton futures by the Department of Agriculture. Authorizes an appropriation of \$75,000 for expenses of investigation.

Introduced by: Senator Sheppard, Tex., D.

Referred to: S. Com. on Agr. and Forestry, H. Com. on Agr.

ACTION ON FLOOR—

Senate: Reported July 1, 1930 with amendments. Passed Dec. 3, 1930.

House: Ref. to Comm. on Agr. Dec. 8, 1930.

SPEECHES—

Senate: Dec. 3, 1930.

Customs Service Salaries

MEASURE—H. R. 12472.

To Provide adjustment of salaries of U. S. Customs Service employees.

Introduced by: Rep. Bacharach, N. J., R.

Referred to: Sen. Com. on Finance. H. Com. on Ways and Means.

ACTION ON FLOOR—

Senate: Reported Jul. 1, 1930. Passed Dec. 3, 1930.

House: Reported June 11, 1930. Passed June 30, 1930.

SPEECHES—

Senate: Dec. 3, 1930.

Drought Relief

MEASURE—S. J. Res. 211. H. J. Res. 411.

To Authorize an appropriation of \$60,000,000 to be loaned to farmers of drought stricken areas for purchase of seed, stock feed, etc., for crops of 1931. (House resolutions authorizes \$30,000,000).

Introduced by: Sen. McNary, Ore., R., Dec. 2. Rep. Haugen, Ia., R., Dec. 2.

Referred to: Sen. Com. on Agr. and For. H. Com. on Agr.

ACTION ON FLOOR—

Senate: Reported Dec. 9. Passed Dec. 9. Conf. Rept. agreed to Dec. 19.

House: Sen. Res. ref. to Com. H. Com. reported substitute H. Res. Dec. 15. Passed substitute Dec. 18. Sent to conference. Compromise fixed at \$45,000,000. Conf. Rept. agreed to Dec. 19.

SPEECHES—

Senate: Dec. 2, 9, 10, 11, 16-19.

House: Dec. 1, 2, 4, 5, 9-12, 15-20.

Federal Farm Board Fund

MEASURE—H. R. 15359.

To Provide for an appropriation of \$150,000,000 for revolving fund of Federal Farm Board.

Introduced by: House Committee on Appropriations.

Referred to: Senate Committee on Appropriations.

ACTION ON FLOOR—

Senate: Reported Dec. 19. Passed Dec. 20.

House: Reported Dec. 18, 1930. Passed Dec. 18.

SPEECHES—

Senate: Dec. 19, 20.

House: Dec. 18.

Maternity and Infancy Bill

MEASURE—S. 255.

To Provide for Federal Aid to States in the care of mothers and infants. Authorizes appropriation of \$1,000,000 per year.

Introduced by: Sen. Jones, Wash., R.

Referred to: S. Comm. on Commerce.

ACTION ON FLOOR—

Senate: Reported Apr. 9, 1930.

SPEECHES—

Senate: Dec. 8, 9, 16, 17, 18.

Money in Circulation

MEASURE—S. Res. 367.

To Provide that the Secretary of the Treasury be requested to inform the Senate on the amount of money in circulation in the U. S. during each year from 1919 to 1930, inclusive.

Introduced by: Sen. Heflin, Ala., D.

ACTION ON FLOOR—

Senate: Passed Dec. 10, 1930.

Motor Buses

MEASURE—H. R. 10288. (H. Res. 172).

To Provide for regulation of motor bus transportation. Unfinished business of the Senate at opening of session.

Introduced by: Rep. Parker, N. Y., R.

Referred to: H. Com. on Int. and For. Commerce, Sen. Com. on Int. Commerce.

ACTION ON FLOOR—

Senate: Reported with amendments Apr. 14, 1930. Voted to recommit on Dec. 4, 1930.

House: Reported Feb. 27, 1930. Passed under special rules, Mar. 14, 1930.

SPEECHES—

Senate: Dec. 2, 3 and 4, 1930.

Muscle Shoals

MEASURE—S. J. Res. 49.

To Provide for the creation of a Federal Board to operate the Muscle Shoals, Ala., power project for the development of hydroelectric power and for the manufacture of nitrates for military and agricultural purposes.

Introduced by: Senator Norris, Neb., R.

Referred to: Sen. Com. on Agri. and Forestry. H. Com. on Mil. Affairs.

ACTION ON FLOOR—

Senate: Reported May 29, 1929. Passed Apr. 4, 1930. Sent to conference June 4, 1930.

House: Reported May 12, 1930, amended by substitution of entire new House resolution, retaining Senate number only. Passed House May 28. Sent to conference June 4.

SPEECHES—

Senate: Dec. 8.

House: Dec. 4, 8, 16. On Dec. 16 Rep. Reece, Tenn., R., Chairman of the House Conference, made a formal statement to the House on the status of the Muscle Shoals Resolution in which he described the compromise agreement tentatively reached in conference. In his statement Mr. Reece said:

"The Republican Members of the House conferees believe now, as they did in the former session of Congress, that the House bill would make the best disposition of the Muscle Shoals properties, both from the best interest of the Government and from fertilizer manufacturer as well as from the best interest of the South and the Nation as a whole.

"But in view of the fact that the conferees appointed by the Senate are unbending in their opposition to the House bill and because the Republican Members of the House conferees do not want to be longer placed in the alleged attitude of preventing all legislation on Muscle Shoals at this session, we with great reluctance decided to agree to a compromise upon the following bases to wit:

"First. That the Government through a permanent board, instead of a corporation, operate the dam and all power-generating facilities.

"Second. That the Government lease the nitrate plants, making liberal provision for the manufacture of fertilizer, fertilizer ingredients, and kindred chemical and electro-chemical products useful in national defense, with provision in the lease contract or contracts for ample power at such price and terms as will encourage quantity production of cheap fertilizer under strict provisions for the benefit of agriculture.

"Third. That the Government would sell surplus power at the switchboard, giving preferential rights in purchase of same to States, counties, and municipalities.

"Fourth. That the Government build Cove Creek Storage Dam in and across Clinch River in the State of Tennessee.

"When these proposals were submitted to the conference committee by the House conferees as a basis of compromise the Senate conferees suggested that the House conferees prepare a new compromise bill embodying these principles. This was done by combining the Senate and the House bills into a new bill that would accomplish these purposes in a practical way, as the proposed bill itself to be placed in the record will show.

"In such an endeavor to adjust the differences upon the four principles as above set out the House conferees have offered to meet the Senate more than half way. In these proposals we have said, 'We will concede Government operation of the power plants provided the President is authorized to contract to supply power to a lessee of the nitrate plants upon terms that would enable him to engage in quantity production of fertilizer and of other products known to be necessary, useful, and beneficial for national defense.' We have gone further and offered to accept the Senate provisions for sale and distribution of surplus power giving preferences to political divisions and subdivisions and the provisions of the Senate bill restricting and limiting use of surplus power if sold to a power company for redistribution except that the price to the consumer would be regulated by the State authorities instead of the Federal Power Commission, but at all times subject to recall when needed by any State, county, or municipality, or for use by the lessee in the production of fertilizer.

"In this compromise bill the House has said to the Senate conferees, 'We accept the principle of Government operations of the power plants for sale of power at the switchboard. We concede preferences for municipalities and other political subdivisions in the sale of surplus power not used for fertilizer manufacture. We accept your provision for the payment to Alabama and Tennessee of certain percentages from the receipts of power sold. We accept your provision that research and experimentation be carried on by the Government as an aid to agriculture, but we would have it done in cooperation with the lessee in quantity production of fertilizer.'

"The House conferees have asked that the Senate leave out the authority to construct transmission lines and have practically conceded everything else included in the Senate provision except the position of the House for private operation of the nitrate plants for the purposes for which they were built. The House does not seek to foreclose the opportunity for the Congress in the future if the necessity should arise to construct transmission lines in order to find a market for surplus power or to prevent its going to waste.

"The House conferees suggested that the Senate conferees continue to work with them in modifying and refining the proposal bill until it embodied the suggested principles in a satisfactory manner, if it did not already do so, or in revamping the Senate bill, in order to put this vast project to work without further delay in the interest of agriculture, relief to unemployment, and general business depression.

"The House conferees feel that if such a compromise proposal should be submitted to the Senate and House at this time that it would undoubtedly meet with favor and with immediate enactment. As this proposed compromise goes more than half way upon the principle of Government operation and provides a practical solution to the problem, we feel that no serious objection can be raised by anyone who really wishes the matter to be disposed of and to be removed from the game of political football."

Obsolete Statutes, Repeal of

MEASURE—H. R. 10098.

To Provide for the repeal of obsolete statutes.

Introduced by: Rep. Fitzgerald.

Referred to: S. Jud. H. Rev. of Laws.

ACTION ON FLOOR—

Senate: Reported July 2, 1930, amended. Passed, amended, Dec. 3, 1930.

House: Reported Mar. 4, 1930. Passed Apr. 21, 1930. Senate amendments agreed to, passed Dec. 9, 1930.

Pensions, Civil War

MEASURE—H. R. 13518.

To Provide increases of pensions to soldiers and sailors of Civil War (Omnibus pension bill).

Introduced by: Rep. Nelson, Wis., R.

Referred to: S. Com. on Pensions. H. Com. on Invalid Pens.

ACTION ON FLOOR—

Senate: Reported, with amendments, Dec. 17, 1930.

House: Reported Dec. 1, 1930. Passed Dec. 5, 1930.

SPEECHES—

House: Dec. 5, 1930.

Petty Offenses, Trial of

MEASURE—H. R. 10341.

To Provide for so amending the Criminal Code of the U. S. that certain petty offenses may be tried on information and complaint.

Introduced by: Rep. Christopherson, S. D., R.

Referred to: S. Com. on Jud. H. Com. on Jud.

ACTION ON FLOOR—

Senate: Reported July 3, 1930. Passed Dec. 3, 1930.

House: Reported May 28, 1930. Passed June 3, 1930.

SPEECHES—

Senate: Dec. 3.

Presidential Nominations Confirmed by Senate

December 8—

William N. Doak, U. S. Secretary of Labor.

Elwyn T. Clark, Collector of Customs, Dist. No. 6, Bridgeport, Conn.

December 9—

George Charles Butte, Vice Governor, Philippine Islands.

Thomas J. Kenamer, U. S. Marshal, Northern District of Ala.

James C. McGregor, U. S. Marshal, Western District of Penn.

December 10—

Samuel E. Winslow, member of U. S. Board of Mediation.

Frank McManamy, member of Interstate Commerce Commission.

December 16—

J. Reuben Clark, Jr., Ambassador to Mexico.

Hoffman Philip, Minister to Norway.

Nicholas Roosevelt, Minister to Hungary.

J. Butler Wright, Minister to Uruguay.

Charles E. Mitchell, Minister resident and consul gen'l. to Liberia.

Floyd R. Harrison, member of the Federal Farm Board.

Charles D. Mahaffie, member of Interstate Commerce Commission.

December 18—

Harry J. Anslinger, U. S. Commissioner of Narcotics.

Fred S. Pulver, U. S. Marshal, Eastern District of New York.

Lawrence A. Glenn, member of Miss. River Commission.

Lieut. Col. George R. Spalding, member of Miss. River Com.

December 19—

Ralph B. Williamson, member of Federal Power Commission.

Claude L. Draper, member of Federal Power Commission.

December 20—

Floyd R. Harrison, member of the Federal Farm Loan Board.

George Otis Smith, member of Federal Power Commission.

Frank R. McNinch, member of Federal Power Commission.

Marcel Garsaud, member of Federal Power Commission.

Paul H. Creswell, U. S. Marshal, southern district of Ohio.

Employment

(See page 4 this number, also see Foreword)

and there are none at hand there, we can send them from Albany, Syracuse and New York City, or other parts of the State to Rochester to fill those places. This has brought inestimable help to the men who wanted to go to a job.

Moreover these bureaus, after getting men for positions for which they have been trained, will take a man who was a bricklayer and who they discover has learned at some time of his life a section of the printer's trade, or some other skilled trade, and by a development of his knowledge and experience in that line fit him for a trade in which there is not a lack of employment, or where he can fill in his seasonal slacks. In other words, the development of these bureaus offers an invaluable service to industry and industrial workers, without regard to State lines or boundaries. For it is more and more true that industry does not regard State lines.

We have industrial plants in the State of New York that have other plants or branch plants in New Jersey or Pennsylvania, and their head men are always going back and forth, thus passing from one State to the other. Why should not the citizens of Boston work in the city of Philadelphia when work is slack in Boston and plentiful in Philadelphia, in their own trade? And why should they not know of the fact that there is work in their line in plenty in a near-by city?

That is what this exchange is for. It will not make jobs where there are no jobs; but coupled up with the other programs and the programs for the stabilization of employment which are being promoted by intelligent employers; it seems a very valuable aid to solve one of the problems of unemployment.—*Extracts, see 7, p. 30.*

In a year's time the aid rendered employers and workers through that medium is considerable. An employer with jobs to fill and the ability to meet workers face to face can ascertain his chances of finding in those districts the workers he needs. He uses the information to a far greater degree than does the job seeker.

Palpably a central clearing house that tries to do on a large scale what its component units do with only moderate success is doomed to even less success than its subsidiaries. A mail-order business in jobs shows results, but only in retail volume. If the task is to be undertaken it must be done, crassly stated, on a wholesale basis.

Putting the idle of one community into jobs in another is, when accomplished, largely the work of private enterprise. When attempted by public agency success depends upon the worker's eagerness for a certain grade of work—as in the case of harvesting—and reliability of information given him.

Employment information to the employer who needs workers, giving him and the job seekers a place to get together and talk things over, is, it seems to me, the cardinal province of a public employment service because employment is the only cure for a labor surplus. The one outstanding service public employment offices can give is to show the employer who needs labor where he can get it and the unemployed where jobs await them.

At best that is about all the real constructive work a labor clearing house could do on a national stage—pass along data that, in moving through many mails and across many desks, would frequently become too stale for other than academic consumption.

For labor is only as mobile as principals make it.—*See 8, p. 30.*



▼ This Month's Sources ▼

1—(Wagner): Radio Address, May 28, 1930; also Cong. Record, Apr. 28, 1930; also Hearings, House Jud. Com., June 11-12, 1930.

2—(Bingham): Radio Address, June 7, 1930, reprinted in Cong. Rec., June 9, 1930.

3—(Dyer): Majority report, House Jud. Com. Rept. on S. 3060, June 26, 1930. (H. Rept. No. 2033.)

4—(Tucker): Minority report, House Jud. Com., June 26, 1930. (House Rept. No. 2033.)

5-6—(N. M. A. and A. F. of L.): Hearings, H. Jud. Com., June 11-12, 1930.

7—(Perkins): Hearings, Sub-comm., S. Commerce Com., March 18, 1930.

8—(Coolbaugh): Article on The Nation's Business, March, 1930.

9—(Employment Service): Memo submitted to House Int. and For. Commerce Com., June 25, 1930 by A. D. Lewis, Acting Director General.

Congress Acts Swiftly on Emergency Measures

Continued from page 4

deficiency appropriation bill. The bill, as reported, was immediately passed by the House on December 9. On December 10, the bill was promptly considered by the Senate Committee on Appropriations, and reported.

On December 11, the Senate passed the bill with amendments, adding 6,000,000 in appropriations.

On December 12, the House voted to disagree to the Senate amendments and asked for a conference.

On December 15, the bill was sent to conference.

On December 16, the conferees reported the bill.

On December 20, both Houses adopted the conference report and it was immediately signed by the President. The bill makes available for public works \$116,000,000 of the \$150,000,000 recommended by the President.

Various Senate amendments were stricken from the bill in conference and the President was given the power, as provided in the original House bill, to transfer funds from one Department to the other if necessary or advisable to meet immediate needs.

On December 9 the House Committee on the Judiciary reported H. R. 14255, providing for the taking possession by the Government of sites for public buildings in advance of final judgment in judicial proceedings.

On December 15 this bill was passed by the House. It was before the Senate when Congress recessed for the holidays.

On December 11, the House Committee on Public Buildings and Grounds reported H. R. 14040 to give authority to the Secretary of the Treasury to employ outside architects and other assistants for the Office of the Supervising Architect and to let contracts without competitive bidding and to otherwise expedite work on public buildings. The bill is on the House calendar.

The Emergency Committee At Work

Continued from page 5

employees who must be laid off temporarily, and otherwise ameliorate the situation. They are making every possible effort to meet not only the present temporary need, but to so organize that they may reduce the likelihood of future unemployment crises.

From the states themselves to the smallest village and hamlet there has been a recrudescence of that community spirit heretofore reserved for war-time emergencies. This has been the almost universal report of our field representatives in all parts of the country, and it is needless to say that we are greatly encouraged at the prompt and decisive way in which these communities are dealing with the situation.

Our field men are covering virtually the entire United States. They are constantly gathering facts as to the methods and plans which are proving successful locally, and through them the Committee has been enabled to serve as a distributing center of information for community plans and organization methods. We are hopeful that as this information is disseminated it will assist other communities to meet their own problems on a basis of the successful experience of others.

The President's Unemployment Conferences, 1921-1930

Continued from page 8

George McFadden, Eugene Meyer, Adolph C. Miller, Lewis E. Pierson, John J. Raskob, Louis J. Taber, Daniel Willard, Clarence M. Wooley, Owen D. Young, Edward Eyre Hunt, Secretary.

Conclusions of the Committee

"If the sources for current information as to expenditures for public works and for budgeted future projects could be materially improved, and if Federal, State, and municipal authorities were prepared to act in concert, as the factors which affect the course of economic events indicate an approaching depression, the accumulation, on a national scale, of even relatively small and scattered margins of public construction which might wisely and with promptness be expedited, added to the amount of public construction hitherto available for acceleration would make up a sum ordinarily sufficient to be an appreciable factor in restoring reasonable economic balance.

"But, obviously, it is only one factor. The business community can not expect to operate without restraints of its own or to counterbalance careless excesses by undue reliance solely on public construction. In its proper place, however, as one among a number of steadying influences, and at its proper time, the acceleration of public construction may well become useful. This is the conclusion which emerges from the consideration by the committee of the information put before it.

"The committee is planning a further exploration into the effects of varying interest rates or capital costs upon the chief types of construction. It is also undertaking an examination of that fundamental incentive, the 'lure of profits,' as manifested during the last 10 years in American economic life.

"A more immediate step, however, is a study of price relationships, of the changing levels in the basis of exchange of the work of one man or group of men for the work of another man or group. This survey, comparing statistically these shifting levels over successive periods, is bound up with the everyday concerns of our people and their welfare. It is expected that the results of this survey will appear before the end of this year. Like the present report, it will take its place in the step-by-step analysis which the committee is making, in the hope that with better and more general understanding of economic forces, and the laws of their operation, American business may develop increasing self-control.

"The ultimate aim of the committee's program of exploration and appraisal, to the end that employment may be more stable and adequate income more assured, is the intelligent and reasonable stabilization of business, mainly by the business community itself, aided by public administrators, and an informed and responsive public opinion."

The full reports of these committees are published by the United States Department of Commerce. (Elimination of Waste Series.)

This Month's Contributors

Senator Wagner

ROBERT F. WAGNER, Democrat, of New York City; born June 8, 1877, Nastatten, Province Hessen Nassau, Germany; grammar school, high school, graduate of City College of New York, and of New York Law School; widower; lawyer; member of New York Assembly from 1905 to 1908, inclusive; member of New York Senate from 1909 to 1918; chairman of the New York State Factory Investigating Commission, 1911; lieutenant governor, 1914; eight years Democratic leader in New York Senate; justice of supreme court from 1919 until October, 1926; assigned to the appellate division, first department, of the supreme court, 1924 to 1926; resigned to become candidate for United States Senator; term expires March 3, 1933.—From, "Congressional Directory."

Senator Bingham

HIRAM BINGHAM, Republican, of New Haven; born in Honolulu, November 19, 1875, son of Rev. Hiram and Minerva (Brewster) Bingham; studied at Punahou, Andover, Yale, University of California, and Harvard; married Alfreda Mitchell, of New London; taught at Harvard, Princeton, and Yale; explored parts of Venezuela, Colombia, and Peru; author "Across South America," "Inca Land," "An Explorer in the Air Service," "Machu Picchu," etc.; learned to fly, 1917; lieutenant colonel, Air Service, American Expeditionary Forces; delegate-at-large Republican National Conventions, 1924 and 1928; lieutenant governor, 1922-1924; elected governor, November 4, 1924; elected Senator, December 16, 1924, to fill the unexpired term of the late Frank B. Brandegee; reelected November 2, 1926.—From, "Congressional Directory."

Representative Dyer

LEONIDAS CARSTARPHEN DYER, Republican, was born on a farm in Warren County, Mo., June 11, 1871; his parents were James and Martha (Camp) Dyer; is a lawyer by profession; graduate of the Washington University, St. Louis, and was assistant circuit attorney of St. Louis; saw military service during the war with Spain, and is past commander in chief of the United Spanish War Veterans; is of English-Scotch origin; his ancestor, James Dyer, came to this country in the seventeenth century; his great grandfather, George Dyer, who was born in Prince George County, Md., in 1753, and died in Henry County, Va., in 1827, was a lieutenant in the Revolutionary War.—From, "Congressional Directory."

Representative Tucker

HENRY ST. GEORGE TUCKER, Democrat, of Lexington, Va., was born at Winchester, Va., April 5, 1853, son of John Randolph Tucker (M. C.) and Laura (Powell) Tucker; lawyer; A. M., Washington and Lee University, 1875, LL. B. 1876 (LL. D., University of Mississippi 1899, Columbian 1903); married Henrietta Preston Johnston, of Lexington, Va., October 25, 1877 (died 1900); married Martha Sharpe, of Wilkes-Barre, Pa., January 13, 1903 (died February 18, 1928); married Mary Jane Williams, of Culpeper, Va., June 26, 1929; admitted to bar 1876, and practiced at Staunton, Va., was elected to the Fifty-first, Fifty-second, Fifty-third, and Fifty-fourth Congresses (1889-1897); professor constitutional and international law and equity (succeeding his father) 1897-1902; dean law school 1899-1902, Washington and Lee University; dean schools of jurisprudence and law and politics and diplomacy, Columbian (now George Washington) University, 1903-1905; president American Bar Association 1904-5; president Jamestown Exposition Co., 1905-1907; editor Tucker on the Constitution, 1899; author Limitations on

the Treaty-Making Power Under the Constitution of the United States, 1915; Woman Suffrage by Constitutional Amendment, 1916. Was elected to the Sixty-seventh Congress March 21, 1922, without opposition, to fill out the unexpired term of Hon. Henry D. Flood (deceased), and nominated, without opposition, for the Sixty-eighth Congress; reelected to the Sixty-eighth, Sixty-ninth, Seventieth, and Seventy-first Congresses; member of the Westmoreland Club, Richmond, Va.; Cosmos Club, Washington, D. C.; and the Century Association, New York City.—From, "Congressional Directory."

Frances Perkins

FRANCES PERKINS, sociologist; b. Boston, Mass., Apr. 10, 1882; d. Frederick W. and Susan (Wight) P.; A. B., Mt. Holyoke Coll., 1902; studied U. of Pa.; A. M., Columbia, 1910. Sec. Phila. Research and Protective Ass'n., 1907-09; exec. sec. Consumers' League, New York, 1910-12; lecturer in sociology, Adelphi Coll., 1911; exec. sec. Com. on Safety, New York, 1912-17; dir. investigations, N. Y. State Factory Commn., 1912-13; exec. dir. N. Y. Council of Orgn. for War Service, 1917-19; commr. N. Y. State Industrial Commn., 1919-21; dir. Council on Immigrant Edn., 1921-23; mem. State Industrial Bd., N. Y., 1923—, chmn., 1926—, Dir. Am. Child Hygiene Ass'n., Consumers' League N. Y., N. Y. Child Labor Com., Maternity Center Ass'n.; mem. Nat. Fire Protection Ass'n. (con. on safety to life), Nat. Safety Council, div. of industrial hygiene of Am. Public Health Ass'n., Acad. Polit. Science, Am. Econ. Ass'n. Clubs: Cosmopolitan, Woman's City (v. p.). Author: Life Hazards from Fire in New York Factories, 1912; The Problem of Mercantile Fire Hazards, 1914; A Plan for Maternity Care, 1918; Women as Employers, 1919; A Social Experiment Care, the Workmen's Compensation Jurisdiction, 1921. Home: 308 W. 94th Street. Office: 124 E. 28th Street, New York, N. Y.—From—"Who's Who in America."

Kenneth Coolbaugh

KENNETH COOLBAUGH, born at East Orange, New Jersey, January 30, 1882; graduate of Princeton, A. B. 1903; worked as core-maker, moulder, rolling mill hand, trummer, sawyer, salesman, general office work; writer on Employment and Industrial Relations Subjects. Since 1918, Superintendent, State Employment Office, Philadelphia. Home address, Ridley Park, Pa.

Col. Arthur Woods

ARTHUR WOODS, ex-police commr.; b. Boston, Mass., Jan. 29, 1870; s. Joseph Wheeler and Caroline Frances (Fitz) W.; A. B., Harvard, 1892; post-grad. work Harvard and U. of Berlin; hon. A. M., Harvard, 1916; LL.D., Trinity Coll., Conn., 1919; m. Helen Morgan Hamilton, June 10, 1916; children—John Pierpont, Leonard Hamilton, Alexander Hamilton, Caroline Frances. Schoolmaster, Groton (Mass.) School, 1895-1905; reporter New York Evening Sun, in lumber business in Mexico, and in cotton converting business, Boston, until 1907; dep. police commr., N. Y. City, 1907-09, and police commr., 1914-18. Apptd. asso. dir. Com. on Public Information, for foreign propaganda, Feb. 1918; commd. lt. col., Aviation Sect., Mar. 1918; col. Aug. 1918; overseas. Sept.—Nov. 1918; apptd. asst. dir. of mil. aeronautics; hon. discharged, Jan. 31, 1919; asst. to Sec. of War, in charge of efforts to help reestablish service men in civil life, March-Sept. 1919. Awarded D. S. M. (U. S.); C. M. G. (British); Chevalier Legion of Honor (French), 1920. Republican, Episcopalian. Clubs Racquet, Harvard, Coffee House, Automobile of America, Dutch Treat (New York); Harvard (Boston); Chevy Chase, Nat. Press, Metropolitan (Washington). Home: 32 E. 36th St. Office: 61 Broadway, New York, N. Y.—From, Who's Who in America.

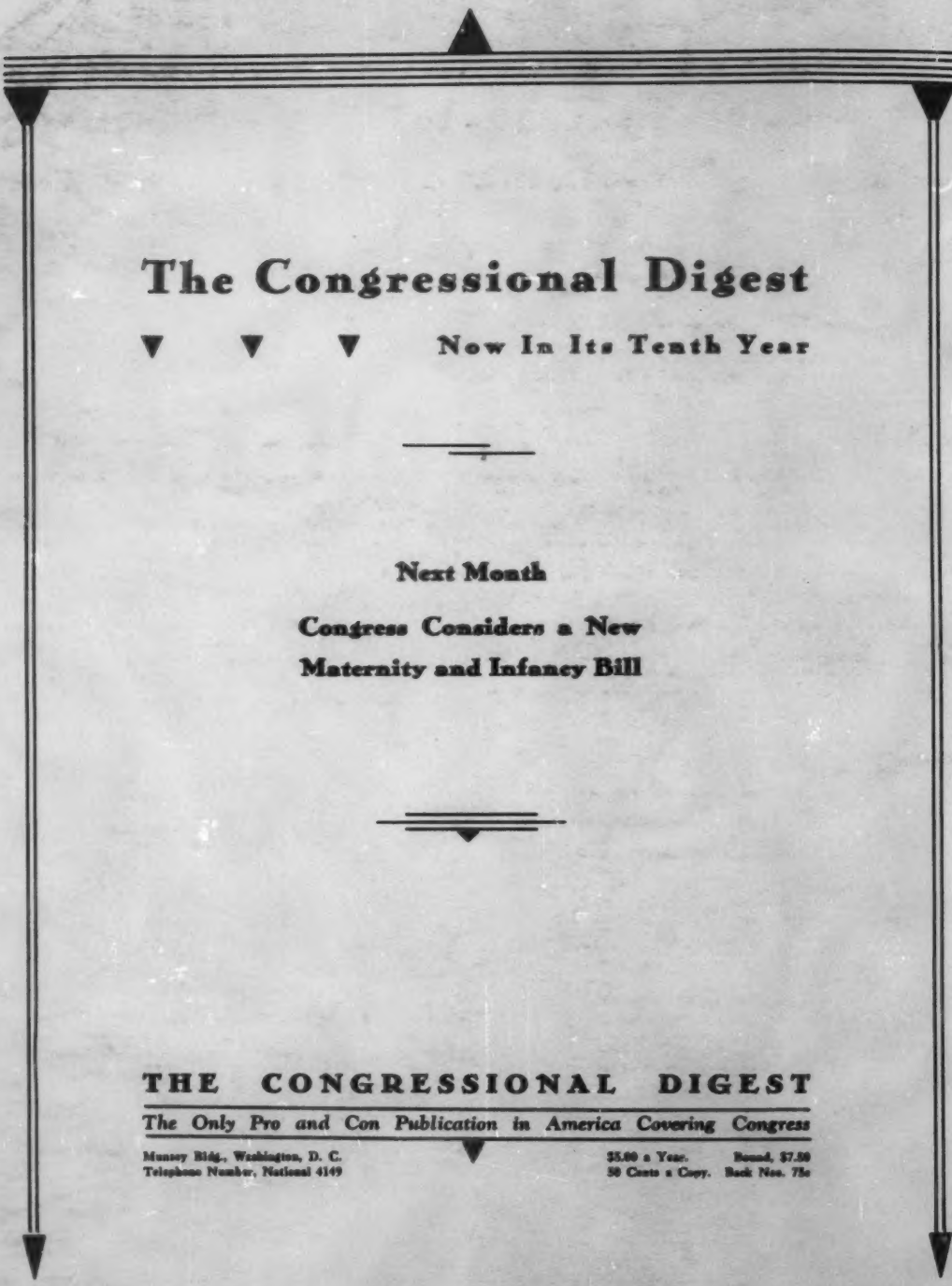
List of Books on Unemployment

1929-1930

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- 1—American Association for Labor Legislation. Standard Recommendations for Relief and Prevention of Unemployment. New York (131 East 23d St.) 1929.
 - 2—American Association for Organizing Family Social Work. Industrial Problems Committee. The Time to Plan is Now. New York (130 East 22d St.) 1929.
 - 3—American Federation of Labor, Washington, D. C. Trade Unions Study Unemployment. 1929.
 - 4—Also Unions Provide Against Unemployment. 1929.
 - 5—American Management Association. Preventing Unemployment. New York (20 Vesey St.) 1930.
 - 6—Conference on Unemployment, Washington, D. C., 1921, and subsequent Committee reports. New York, McGraw-Hill Book Co. Also issued by U. S. Dept. of Commerce, as Elimination of Waste Series.
 - 7—Croxtan, F. A. and F. E. Croxtan. Unemployment in Buffalo, Nov., 1929. Buffalo, Foundation Forum, 1930. 34 p. (No. 72.)
 - 8—Detroit. Mayor's labor committee. Report. In its Proceedings, Jan. 7, 1930.
 - 9—Editorial Research Reports. The Stabilization of Employment, by Harry M. Cassidy. August 19, 1929. Washington, D. C.
 - 10—International Labor Office, Geneva. Unemployment, Some International Aspects, 1920-1928.
 - 11—Kellogg P. U. Unemployment and Progress. (In National Conference of Social Work. Proceedings, 1929. Columbus, O., 1930.
 - 12—Laidler, H. W. Unemployment and Its Remedies. New York, League for Industrial Democracy (112 East 19th St.) 1929.
 - 13—Lescotier, Don D. What is the Effect and Extent of Technical Changes on Employment Security? New York, American Management Association (20 Vesey St.) 1930. (Personnel series, No. 1.)
 - 14—Lubin, Isador. The Absorption of the Unemployed by American Industry. Washington, The Brookings Institution [1929]. (The Brookings Institution. Pamphlet series, vol. 1, No. 3.)
 - 15—Metropolitan Life Insurance Co., New York. The Use of Research in Employment Stabilization. New York, 1929.
 - 16—Muller, Helen Marie, comp. Government Fund for Unemployment. New York. The H. W. Wilson Co., 1929.
 - 17—Mund, Vernon A. Prosperity Reserves of Public Works. [Philadelphia, May, 1930]. Annals of the American Academy of Political and Social Science.
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 - 20—New York (State) Dept. of Labor. Bureau of Statistics and Information. Unemployment in Buffalo, November, 1929. Albany,
 - 21—Ryan, John A. Unemployment—What Can Be Done About It. Washington, National Catholic Welfare Conference, 1930.
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 - 24—Trend of Employment and Labor Turnover. Washington, Govt. Print. Off., 1929-1930. Monthly.
 - 25—House Committee on the Judiciary. (Report to accompany S. 3060.) To provide for the establishment of a national employment system. Washington, U. S. Govt. Print. Off., 1930. (71st Cong., 2d. sess. H. Rept. 2033.)
 - 26—Also—Hearings, June 11-12, 1930, on Unemployment in the United States. S. 3059, 3060, etc. Serial 11. 71st Congress, 2d session. Washington, U. S. Govt. Print. Off., 1930.
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 - 28—Senate Committee on Commerce Hearings. 70th Cong. 1st sess. on S. 2475, a bill to create a prosperity reserve and to stabilize industry and employment by the expansion of public works, etc. April 12, 1928. Pt. 1. Washington, U. S. Govt. Print. Off., 1928.
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 - 31—Senate Committee on Education and Labor. Causes of Unemployment. Report. (Pursuant to S. Res. 219) [Washington, U. S. Govt. Print. Off., 1929] 13 p. (70th Cong., 2d sess. Senate Rept. 2072.)
 - 32—Also—Hearings, Dec. 11, 1928-Feb. 9, 1929, pursuant to S. res. 219. 70th Cong., 2d sess. Washington, U. S. Govt. Print. Off., 1929.
 - 33—U. S. Dept. of Labor. Unemployment in the United States. A report by the commissioner of labor statistics, relative to extent of unemployment in the U. S. Washington, U. S. Govt. Print. Off., 1928. (70th Cong., 1st sess. Doc. 77.)
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